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ABSTRACT

Several programs designed to improve work life in the United States are reviewed. The subcommittee solicits opinions from leaders in business, labor, and government about what legislative and institutional changes can be made to ensure continued progress in the status of the working people. The hearings cover a broad range of topics including job satisfaction, flexible working hours, the 4-day 40-hour week, job sharing, and alternative working arrangements. The subcommittee examines ways the public and private sectors can encourage these kinds of job opportunities for American workers. Also discussed are the one million workers who have given up looking for a job and, thus, are classified as "discouraged workers." All the trends discussed throughout the hearings point out that, while pay is an important part of a job (insofar as it can support a decent standard of living and that it is equitable in relation to the job) by itself, high pay cannot lead to job satisfaction. (Author/RM)

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CHANGING PATTERNS OF WORK IN AMERICA, 1976

ED127259

HEARINGS

BEFORE THE

SUBCOMMITTEE ON EMPLOYMENT, POVERTY, AND MIGRATORY LABOR

OF THE

COMMITTEE ON LABOR AND PUBLIC WELFARE UNITED STATES SENATE

NINETY-FOURTH CONGRESS

SECOND SESSION

ON

EXAMINATION OF ALTERNATIVE WORKING HOURS
AND ARRANGEMENTS

APRIL 7 AND 8, 1976

SO 009 392

U S DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

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CHANGING PATTERNS OF WORK IN AMERICA, 1976

WEDNESDAY, APRIL 7, 1976

U.S. SENATE,
SUBCOMMITTEE ON EMPLOYMENT, POVERTY,
AND MIGRATORY LABOR OF THE
COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C.

The subcommittee met, pursuant to notice at 10:15 a.m., in room 6202, Dirksen Senate Office Building, Hon. Gaylord Nelson (chairman of the subcommittee) presiding

Present: Senator Nelson.

Committee staff present: Richard E. Johnson, counsel; Scott Ginsburg, professional staff member; and Larry Greenberg, minority counsel.

Senator NELSON. The Senate Labor and Public Welfare Subcommittee on Employment, Poverty, and Migratory Labor today begins its oversight hearings on "Changing Patterns of Work in America."

This series of hearings are being held to begin a review of several programs designed to improve worklife in America. In this process, the subcommittee will solicit opinions from leaders in business, labor, and Government about what legislative and institutional changes can be made to insure continued progress in the status of the workplace and that of working people all across the country.

During the first 2 days of these hearings, we will cover a broad range of topics including job satisfaction, flexible working hours, part-time work, job sharing and alternative working arrangements. The subcommittee also will be examining ways the public and private sectors can encourage these kinds of job opportunities for American workers.

In the past 10 years or so, a multitude of organizations have undertaken programs to improve work situations by altering work schedules or by devising new ways for labor and management to work together.

One estimate used by the General Accounting Office, for example, found that about 3,000 U.S. organizations employing over 1 million workers had implemented a 4-day, 40-hour work week by mid-1974. Right now, the Federal Government has 28,000 employees from 30 different organizations who are engaged in a flexible hours program.

Several experimental projects to study job sharing and to rearrange the traditional working relationships between management and labor have been initiated by the Department of Labor and the National Center on Productivity and the Quality of Working Life. And several companies have undertaken work humanization projects. Two corporate presidents who are leaders in this area will testify at tomorrow's hearing.

The subcommittee also is concerned about those people who do not now have jobs and are finding it difficult, if not impossible, to enter the labor force.

Figures recently released from the Bureau of Labor Statistics reveal that almost 1 million workers have given up looking for a job and thus are classified as "discouraged workers." And according to the Bureau of the Census, there are potentially several million individuals, most of whom are women, who will be looking for work in the near future.

These numbers and statistics are even more compelling when they are considered on a case-by-case basis. The people we are talking about are not isolated hypotheticals. It is the housewife whose children no longer are at home, the welfare mother who wants to help support herself by working part-time, or the older worker who feels compelled to work but on a more flexible, part-time schedule, who are directly affected.

For these and many other people, alternatives to the conventional workweek and improved supportive services like mass transportation and child care centers would help build new incentives into their lives and give them back the work opportunities they rightfully deserve.

For those people who already are holding down a job, work is becoming less satisfying, partially as a result of rigid work rules, but also because of automation and other technological advances that have taken away workers' control over their jobs.

While there is disagreement over the extent and seriousness of this problem, the ramifications of it are quite clear. Public opinion polls reveal worker alienation and job dissatisfaction are increasing. Department of Labor studies show that alcoholism, absenteeism, sabotage, and turnover at work has increased in the past 5 years. And several unions are including shorter workweeks and more flexible working conditions as part of their bargaining proposals with management.

All of these trends recognize what many have known for all too long: while pay is an important part of a job—insofar as it can support a decent standard of living and that it is equitable in relationship to the job—by itself, high pay cannot lead to job satisfaction. And without job satisfaction, the prosperity and continued well-being of this Nation's economy are put in jeopardy.

This country has made tremendous social and economic progress over the past 200 years as a result of our inventiveness and organizing ability. However, as life becomes more highly interdependent and complex, responsibilities become more and more specialized, our purposes and goals sometimes become obscured, and the individual's potential for excellence can be overlooked.

To maintain our dynamism and sense of purpose, we must examine the relationship between the worker—the foundation of our present prosperity—and work. That is what these hearings, in part, are designed to investigate.

With these purposes in mind, we will begin our hearings this morning with Mr. Abraham Weiss, Assistant Secretary of Labor for

Policy Evaluation and Research. After that, the General Accounting Office, a distinguished group of industrial representatives, and two eminent scholars from the American Institutes for Research will be joining us. We very much appreciate the time and effort each of the witnesses has taken to be with us today, and we look forward to a productive and interesting morning of testimony.

We would appreciate it if the witnesses would summarize their written statements as much as possible to allow time for questioning after the formal presentations. Of course, all written material will become a part of the subcommittee's hearing record.

Mr. Weiss, would you please come to the table and identify your associates so the reporter will have an accurate record?

STATEMENT OF ABRAHAM WEISS, ASSISTANT SECRETARY FOR POLICY, EVALUATION, AND RESEARCH, DEPARTMENT OF LABOR, ACCOMPANIED BY RICHARD P. SHORE, STAFF; AND JEROME A. MARK, ASSISTANT COMMISSIONER, OFFICE OF PRODUCTIVITY AND TECHNOLOGY, BUREAU OF LABOR STATISTICS

Mr. Weiss. Thank you, Senator.

On my right is Dr. Richard Shore of my staff. On my left is Mr. Jerome Mark of the Bureau of Labor Statistics. Mr. Mark heads the Office of Productivity and Technology.

We stand ready to answer any questions upon the completion of my statement.

Senator Nelson. All right. Your statement will be printed in full in the record. You may proceed however you desire.

Mr. Weiss. In the interest of expediting the proceedings, I am going to try to shorten the statement. There will be some slight modifications and deletions, but I appreciate the opportunity to present the full statement in the record.

Senator Nelson. Thank you for taking the time to come over this morning.

Mr. Weiss. Thank you for this opportunity to participate in this most timely review of the quality of working life in America.

The Bicentennial Year is a singularly appropriate occasion to reflect upon the quality of all facets of life in America, work and nonwork alike. It is a time not only to look back in history to see how far we have progressed in furthering our national purposes, but also to determine the challenges we face as we approach the event of our third century.

If we are to successfully meet these challenges, we must anticipate the problems of the future and fully commit ourselves to seeking solutions for them.

It is my understanding that as leadoff man, so to speak, I am to sketch the framework, and the rest of the statement will be addressed in that fashion.

Senator Nelson. You present it however you desire.

Mr. Weiss. These hearings provi[illegible] forum for discussion and airing of the problems we face. Although much has been said about the quality of working life, one p[illegible] stands out as particularly noteworthy. It is that "the most important part of the quality of work is the quantity of jobs." It goes without saying that the possession of a job is an essential precondition for meaningful and satisfying employment experience. We must not lose sight of this fact as we contemplate the quality of working life in America.

However, even as we attack the problems of unemployment—the problems of people out of work—we also should concern ourselves with the problems of people at work.

Moreover, these two prime issues are, in some ways, closely intertwined. The expansion of employment opportunity is very much contingent upon the successes we achieve in improving the productivity and performance of our economic institutions. That performance, in turn, depends on how well we employ and manage the Nation's human resources.

These institutions, private and public, can function effectively only if they provide jobs and working conditions which fully use the talents and promote the well-being of their employees, as well as enterprise staff. It is imperative, therefore, that we give full attention to both the quantity and quality of employment.

In no way does this mean that worker well-being is important only because of its import to national productivity and economic growth, although this relationship should concern us. The quality of life at work has its own inherent value and is also a vital aspect of improved quality of life generally. Therefore, it is an important goal in its own right. Enhancing the meaningfulness of work does not always require an economic payoff. The ultimate measure of how well our economic system serves us is not only its material output but also the extent to which it meets the human needs of those who participate in it.

To the extent that workers' needs, values and aspirations change, I would assume that American management, and our work institutions—both attuned to dynamic change—will respond and accommodate. This is in keeping with our traditional willingness to experiment and innovate.

But how shall we define "the quality of working life"?

Our answer to this question is important for it, in effect, serves to specify our national goals and priorities. My own predilection is to conceive of the quality of working life in quite broad terms, so as to encompass all those features of jobs and employment conditions that have a bearing on the total well-being of the worker, and that serve either to satisfy or frustrate his needs and aspirations.

I would include not only the more traditional concerns of job security, income sufficiency, and health and safety, but also those factors relating to the content of work itself which have given rise to much discussion and debate about job satisfaction. By adopting this broad perspective, I think that we can avoid the too common error of becoming preoccupied with limited segments of the total picture and thereby limiting the opportunity for constructive action.

By viewing the issue broadly, we necessarily increase the array of options for action that might enhance the quality of working life. We should examine concurrently all those features of employment that can make a difference to the worker and the organization, although not all of them may share the same high priority or require our immediate attention.

Although "the quality of working life" may be a relatively new expression, it is not an entirely new issue. Many of the concerns of the quality of working life movement date back to the earliest phases of our industrial development, with the beginnings of modern technology and bureaucratic forms of work organization.

Alienation and job discontent are a matter of our industrial history, as witness the Luddites in the early 19th century. What is new in our times is a more insistent and widespread view—perhaps reflecting a younger and better educated workforce—that jobs and work organizations should respond more than they have in the past to the values, capabilities, and expectations of American workers.

Some social science researchers report that workers want and expect their jobs to provide them with opportunities for personal development and achievement, to contribute to their feelings of dignity and self-worth, and to enable them to experience a sense of community. They believe that the gap between aspirations and reality, growing out of our forms of industrial organization, is at the core of the job alienation problem.

In developing our industrial and commercial institutions, we strove to promote efficiency and economic growth. We therefore developed work methods and organizations that put technology in the driver's seat and required workers to adapt to it as best they could.

We divided labor into minute segments in order to achieve the efficiency of specialization and eagerly adopted bureaucracy as the "ideal" form of organization. This came to be known as "scientific management."

It did work, by and large. The country prospered, workers shared the fruits of economic growth, and achieved even higher standards of living.

But times and people's views do change. This has led to a fresh look at organizational forms and techniques and their impact on workers. As a result of such reviews, innovative alternatives are surfacing, designed to improve the relationship between the worker and his job, and even to recast the nature of work organizations. In fact, increasing numbers of organizations have elected to test and install alternative forms of work structures which strike a better balance between the social and technical components of work. Experimentation and innovation involving basic changes in the content and conditions of work appear to be gaining momentum.

Experts in the area of quality of working life reject a philosophy of work design and organization based on narrow specialization of function, short-cycle repetition, and the separation of planning from performance. They hold that, if we are to sustain our economic and social progress, we must give thought to new ways of organizing the performance of work so as to achieve a better balance of economic and human interests. An outcome of such work reorganization, they hold, would be a committed and productive workforce.

A growing, though still modest, number of experiments and innovative practices, both here and abroad, have attempted to "enlarge" or "enrich" or otherwise "humanize" jobs by increasing worker responsibility, autonomy, and participation in the affairs of their organizations.

Some of the reports of these experiences claim, indeed, wondrous results. Without necessarily accepting all such claims on their face value, some improvements and benefits seem to be substantiated.

As of now, such experiments and experience are sporadic and occasional. What is required to extend and exploit this effort is largely a matter of national resolve, involving primarily broader segments of the industrial and labor community.

Obviously, a comprehensive strategy of work reform must focus on the job itself. But the conditions surrounding work; that is, the work environment, cannot be ignored.

I refer here not only to the physical environment of the workplace, but also the social and economic conditions under which people labor. Intrinsically rewarding jobs are not likely to generate satisfying employment experiences if they are performed under conditions workers regard as physically, socially and economically inequitable or oppressive.

Why should the work environment be any less palatable than the environment in which people live outside of work?

Should man, a social being, be compelled to function in isolation on the job, finding meaningful social relations only in his free time?

These questions are being raised increasingly by those concerned with quality of working life.

In the last few years, still another set of options has come to the fore—that having to do with the scheduling of hours of work.

About 10 years ago, a National Commission on Technology, Automation, and Economic Progress was asked to address the issue of "appropriate periods of work—daily, weekly, annually, and over a lifetime." After much study, the Commission was obliged to report that its members failed to reach a sufficient consensus to make any recommendations in this area.

Had that body been active today, I would venture to guess that, differences of opinion notwithstanding, it would have uncovered enough agreement to propose some directions for policy development worthy of serious consideration.

A short 10 years after that report, the concept of flexible or freely chosen working hours—flexitime—has emerged as a major topic of discussion and an area for a great deal of imaginative action.

Having religiously adhered to fixed daily schedules for so long a time, organizations have not always found it easy to break with tradition, but they are beginning to recognize that by introducing at least a modicum of flexibility, they can better meet the individual needs of their employees without having to sacrifice productive efficiency.

I have been encouraged, in this regard, to see the largest of all employers in the country, the Federal Government, taking steps to incorporate flexible work schedules into its own personnel practices.

But the concept of the flexible work schedule is not necessarily limited to the workday and workweek. The life cycle of the great majority of workers in the United States follows a predetermined and relatively fixed course, leading from education to employment to retirement. Each transitional point represents an abrupt and complete change of status from one role to another, providing neither for continuity nor integration. For most people, once having made a transition, there is no return.

It seems appropriate to question whether this rigid compartmentalization of life meets either the needs of individuals or of economic institutions.

By insulating students from the world of work, we ill prepare them to enter and cope with it. By failing to provide opportunities for workers to intermix employment experience with educational experiences, we deny them the chance to develop their interests and capabilities, and to advance upward in the occupational hierarchy.

Employers, too, may be shortchanged in the absence of a blending of education and work, for their employees are deprived of a major opportunity to advance their knowledge and skills so as to make them more effective and more productive.

Similarly, I question whether individual and organizational interests, and national interests, are well served by a life schedule that requires individuals suddenly to discontinue their longstanding productive role in the economy and face what is for many the emptiness of retirement.

It is also an open question whether an employer should automatically terminate many of the most experienced and productive members of his work force merely because they have reached some specified point of retirement.

One obvious approach to facilitating a desirable integration of education, employment and retirement is through the development of many more part-time job opportunities which would enable people to broaden their experiences and avoid the adjustment problems created by sudden changes in their lifestyles.

I might add that more part-time employment opportunities, combined with flexible work schedules, may provide a partial solution to the dilemma now faced by countless numbers of parents with home and family responsibilities who now must completely forego employment or reconcile themselves to less than satisfactory child care arrangements in order to take full-time jobs.

• If substantative changes in the nature of jobs and working conditions are to be made, to what extent will, or should, workers participate in these decisions?

This issue is being raised increasingly, both here and abroad.

Broadening the base of decisionmaking to include effective participation of those affected by its outcomes, by workers whose efforts must be enlisted in carrying out the purposes of the organization, is considered by its proponents as an integral part of the quality of working life movement.

Work organizations are witnessing and experiencing a growing desire, perhaps a demand, by workers for work structures in which they may better employ their talents and participate in decisions affecting their future.

Although taking different forms in different countries, a common element is the insistence by all members of the enterprise, whatever their station, that they have the opportunity to influence decisions affecting their jobs, their workplace and, thus, their working lives.

How is one to view this quest for participation in decisionmaking?

On the one hand, it can be regarded as a challenge to management authority and a threat to its established prerogatives.

On the other hand, it may reflect a belief that, in a democratic society, democratic values should be actualized in economic as well as political institutions.

The additional point is made that worker participation permits management to enlist more effectively the knowledge and skills of the work force in diagnosing and solving problems of mutual concern. This puts to the test the oft made assertion that those who know best how work should be carried out are those who perform it. At the same time, we must recognize that broad worker participation in decisionmaking in an enterprise raises fundamental questions regarding the distribution of power and authority as well as the organization's ability to adapt quickly to economic and technical changes.

Given the diversity of American industry and American workers, no single mechanism for worker participation is appropriate to all enterprises. There is no optional organization structure or management system. Each organization must consider what is most appropriate for its own circumstances.

The situation is, of course, infinitely more complex in organizations where management-worker relations are governed by the provisions of collective bargaining agreements. Although these relations often have been adversarial, this does not preclude collaboration on matters that equally concern both parties. And certainly the economic health of the enterprise and the well-being of its work force should be matters of common concern.

Industrial relations history records many instances where management and labor have found a common ground for concern and joint action for their mutual benefit.

And what of the role of Government in this still evolving quality of working life movement?

What functions can or should Government most appropriately and most effectively carry out?

By way of offering an answer, I first want to express my belief that the principal parties to action in the quality of work arena are those who are most directly concerned—management and workers. In this area, as in others, Government serves best when it intervenes least into the workings of the labor-management relationship.

The more Government regulates and controls, the less freedom the parties have to select those courses of action that promise to yield mutually beneficial results.

This is not to say, of course, the Government can adopt a hands off position toward problems in the workplace. Where conditions of employment pose obvious threats to the well-being of workers and the welfare of the Nation, Government does take appropriate steps to eliminate or ameliorate them.

At the same time, Government's many regulatory functions should be subject to continuous reappraisal in the light of current problems and conditions, and evolving national goals.

There has been a growth of interest—albeit modest—at all levels of Government in improving the quality of working life. It is sometimes difficult to distinguish these efforts from attempts to improve productivity in the technical sense.

Undoubtedly, such interest and activities reflect the growing concern over recent productivity trends, budget constraints, and the current recession.

This is not to gainsay the fact that efforts have been and are currently being undertaken to improve the quality of working life for its own sake. Still, the two elements are often linked in practice.

The primary purpose that Government may serve in a national effort to enhance the quality of working life is to stimulate and facilitate the efforts of management and labor to improve the organization and conditions of work. It can do this best by undertaking and supporting the research and evaluation necessary to clarify the nature of the problems we face, by spurring labor-management experiments and innovative programs, and by widely disseminating information on "best practices" or prototypes to institutional decisionmakers so that they can make more informed decisions.

And finally, Government can be a model as well as a major employer, demonstrating by its own progressive policies and practices how work can be made more meaningful and more effective.

The Department of Labor is intimately involved in advancing the quality of working life in America, pursuant to its charter to protect and improve the welfare of American workers. Hence, virtually every aspect of the Department's broad program is addressed to some dimension of work quality.

More specifically, however, the Labor Department has been carrying out a significant research effort to fill the many gaps in knowledge regarding the quality of work phenomenon. To date, this activity has included, among other projects, two major national surveys of worker perceptions of the quality of their working lives; an analysis of the relationship between specific job characteristics and the quality of work, as viewed by workers and employers; a ground-breaking effort toward the development of a set of social indicators of employment quality; several studies of the feasibility and utility of various innovative practices in work design, including employee participation in job structuring and pay plan developments; an examination of work——

Senator NELSON. If I may interrupt.

You referred to two major national surveys of worker perceptions on the quality of working life. It reads as though they were made in the private sector alone.

Were there surveys made in the Federal employment sector?

Mr. WEISS. I will let Dr. Shore answer since he monitored those particular surveys.

Dr. SHORE. These, Senator, were national surveys of a sample of the full-time employed labor force in the United States, including both the private and public sector, a representative cross section of the labor force.

Senator NELSON. Are the surveys completed?

Mr. WEISS. They are complete, and we will provide you and your staff copies of reports which have been completed.

Senator NELSON. All right.

Mr. **Weiss**. To continue with my statement.

An examination of work scheduling problems and prospects; a study of youth and the meaning of work; a demonstration project for the establishment of a clearinghouse and information network on productivity and quality of working life; and a survey of Federal R. & D. programs providing contracts and grants for studies of quality of working life issues.

Senator **Nelson**. Are you saying there have been several studies concerning the feasibility and utility of various innovative practices in work design, including employee participation in job structuring and pay plan development?

Mr. **Weiss**. Yes, sir, that is precisely the point I am making.

Again here, Senator, if it will be of interest and value to you and your staff, we shall be glad to make copies of reports of those studies available to you.

Senator **Nelson**. Well, were these studies part of the national survey on workers?

Dr. **Shore**. These are studies taking place in individual work organizations where experiments have introduced changes in the structure of work or in the nature of compensation plans or other working conditions.

Mr. **Weiss**. These are separate and distinct from the two national surveys which we discussed earlier. In effect, they were case studies in which certain modifications in work organization were attempted or experimented with, and the object was to see what effect they have on employee relations, on work attitudes, on work practices, and the like.

Senator **Nelson**. It is not clear to me from reading this, but the Department of Labor has completed two national surveys on worker perceptions of their jobs and the quality of their working life.

Then you have a semicolon that says "analysis of relationship" and so forth and so on.

I am not clear what you are talking about.

Are you saying you have made some studies of programs that are being conducted in the private sector now and that you have evaluated those programs from the standpoint of scheduling problems?

Mr. **Weiss**. That is precisely it, Senator.

The semicolons designate that these are separate, distinct studies. The first two studies were attitudinal surveys. The others were on-the-scene, on-the-spot studies of individual establishments or work organizations in which specific experiments were designed, within the general context or framework of quality of working life, to see what results such innovations or restructurings might produce in terms of the relations between the parties, in terms of attitudes, and also in terms of efficiency and effectiveness.

So what I have done in couching it in these terms is to enumerate for you some, but not all, of the research and experimental projects that have been funded and supported by the Department of Labor.

Senator **Nelson**. These various studies have been studies of projects, programs that are being conducted now in the private sector?

Mr. **Weiss**. Or have been.

Senator **Nelson**. Or have been.

Mr. WEISS. We have both ongoing and ex post research. We have closely monitored the experiment, and at its conclusion, or at some intermediate stage of that experiment, we have looked back and tried to assess what results had been produced.

Senator NELSON. Are these surveys ongoing or completed, or both?

Dr. SHORE. Some have been completed, Senator. Some are still ongoing.

Should you like, we can provide final reports where they have been submitted or partial reports of findings to date.

Senator NELSON. Will the Department be publishing a summary report of your conclusions and evaluations of these various studies?

Dr. SHORE. Collating results of various studies? Yes, when there is sufficient reliable information to pull it together in some meaningful fashion.

Senator NELSON. We had some testimony in the Small Business Committee last year, and I cannot remember the name of the company, that brought the employees into the decisionmaking process, or at least to influence the decisionmaking process about the organization of work and how it is done and so forth.

Are you familiar with Harmon International?

I am advised by staff they are testifying tomorrow.

Now, did any of these studies involve the public employee sector—either city, State, or Federal governments?

Dr. SHORE. No, not to date.

Mr. WEISS. To date, the individual case studies have been exclusively in the private sector.

Senator NELSON. Earlier you made the point that the Federal Government would be a good place to provide some experimental work projects since we have such direct control over such a vast number of employees.

Mr. WEISS. Senator, in my prepared statement, I do indicate that the Federal Government itself is doing some experimentation.

As a matter of fact, I think the next witness will be describing to you in some detail some of the experiments which have been carried on in various Federal agencies.

The point of listing these references, Senator, was to give you a flavor of the kinds of studies which we have embarked upon to explore this phenomenon in its many aspects, whether it be flexible hours, greater involvement in decisionmaking, changes in the work environment itself, or work restructuring.

Senator NELSON. Now, when will you have some preliminary report or any kind of report on this?

Mr. WEISS. As Dr. Shore indicated, a number of these studies are still ongoing. Obviously, a report has value only to the extent that the conclusion has significance and is supportable.

We are trying to view the reports which are being furnished us by the contractors who are performing these studies with a critical eye to see whether the findings are worth broadcasting to the world at large, so to speak.

It is, however, a definite part of our research design to try to fold in the various pieces of the jigsaw puzzle in some meaningful whole to the extent we can establish a pattern.

Hopefully, these findings will be useful, at least we expect they will be useful to those in both private and public sectors who want some guidelines or some indication of what already has been attempted, how it has been carried out, and what the results have been.

But I do assure you, Senator, that we fully intend, when we get enough pieces together to see if we cannot prepare overall summaries of our findings.

Senator NELSON. Earlier in your testimony, you stated that you thought one of the important functions or roles that the Government could play would be to disseminate to the private sector information about successful experiments and unsuccessful ones, too, I assume—so you will not have to try them twice—and that will be one of the purposes of these studies—the dissemination of information.

The reason I raise the question is to get some idea about when you might have some information disseminated.

Do you have any idea about a dateline for some reports or something on it?

Are we talking about a year?

Will I still be around?

[Laughter.]

I guess that is not up to you.

Dr. SHORE. A good deal of the material already has been disseminated, both in published and unpublished form. I do not want to preempt Mr. Weiss' statement. There is a reference in the next paragraph of his testimony which deals with one effort to disseminate, in rather broad fashion, the findings and implications of a great deal of research, not only that supported by the Labor Department, to potential users in the public and private sector, in trade unions, and in the research community.

I would like to add one other fact.

One of the projects noted by Mr. Weiss involves the support by the Labor Department of a new organization called The Work in America Institute, which has as perhaps its major function the dissemination of information pertaining to both work problems and effective remedies for them. The Institute is in the process of establishing a depository of information and a clearinghouse system that can take information that otherwise might be buried on dusty shelves and get it out to potential users in industry and trade unions.

Mr. WEISS. In effect, through that mechanism, we are achieving a multiplier effect.

Senator NELSON. In the first paragraph, page 15, you have a semicolon, and then you say "and a survey of Federal R. & D. programs providing contracts and grants for studies of quality of working life issues."

I do not follow exactly what that sentence means.

Mr. WEISS. As I recall, Senator, we tried to find out what has been taking place in the Federal Government.

Senator NELSON. You are making a survey of Federal R. & D. programs that are already——

Mr. WEISS. Bearing on this issue. It was intended to establish an inventory or base point from which we could then see in what directions and to what extent various Federal agencies are continuing their activities in the quality of working life area.

Senator Nelson. I want to congratulate you on that.

Mr. Weiss. It enables us to determine who was doing what and where.

Senator Nelson. That is the first time I have heard of any agency in the Government trying to discover what we are doing.

So you are surveying all other agencies who might be doing some of this kind of thing in this area?

Mr. Weiss. Precisely.

Senator Nelson. Go ahead.

Mr. Weiss. A few months from now, a book will be published presenting the observations and judgments of a number of experts we commissioned to examine strategies for "Improving Life in Organizations."

In an introductory message prefacing this review of the state of the art, the Vice President makes this statement:

"Our Nation's progress in this last quarter of the 20th century may hinge as much on social research invention as advances in earlier decades did on physical science and technology."

This is a challenge to which the Labor Department's research and development program intends to continue to try to respond fully.

Today, new ideas are being fashioned and tested in the area of work organization and workers' roles. We are still in the experimental stage. We hope that the Department's research and development activities and findings may provide some guidance to those in management and labor who, in responding to today's environment, seek in good faith to reappraise, and perhaps to restructure, our traditional ways of organizing our economic activity.

In conclusion, I note that Senator Nelson's invitations to give testimony states that the purpose of these hearings is "to begin"—and I underscore the word "begin"—"to begin a review of the quality of working life in America."

I am sure that the information and opinions presented during these hearings will serve as an excellent foundation for a continuing and systematic examination of this vital issue. I know that I speak for Secretary Usery in pledging the Department's future cooperation in carrying it out.

Thank you very much.

Senator Nelson. Thank you very much for your very thoughtful statement.

There have been a number of articles that I assume everybody has noted over the years, and you made reference to experiments of this kind in studies in other countries. Sweden has been noted a number of times.

Do your studies include what may be going on in other countries, or do you anticipate including them?

Mr. Weiss. We can go beyond that. Dr. Shore has personally spent, as a guest of the Swedish Government, some time looking at their research and experimentation. May I defer to Dr. Shore?

Senator Nelson. Just so the audience will not think we are conning them—this was not a planted question. I did not know that.

Go ahead.

Mr. Weiss. That is why my face beamed when I heard the question.

Dr. Shore. My personal experience, of course, is only one part of a far larger examination that is being made, and indeed should be made of efforts to reform work that have taken place in Sweden and other Scandinavian countries, and throughout Western Europe.

I think that perhaps we have been somewhat remiss—not the Labor Department, but the United States generally—by not looking upon such foreign experiences as a very useful base of information to launch activities that are appropriate for our own situation.

One of the aforementioned projects, that conducted by the Work in America Institute, has begun very effectively to garner information from the European scene, and disseminate it to users in the United States.

They have the good fortune of having a representative in Western Europe who is collecting and transmitting such information to the United States, where it is now in the process of being disseminated quite widely.

Mr. **Weiss.** Senator, may I add a postscript to that?

The OECD is currently preparing a summary of the European experience in this area of quality of working life.

I am glad to recount to you that Dr. Shore has been involved in the preparation of that report.

We have attended some of the meetings in Paris in which the outline for the report was discussed and generated, and we have provided major substantive input into its preparation.

We, as well as, I am sure, some other countries interested in this movement, are eagerly anticipating the issuance of that report.

So there is work going on both here in the United States and in Europe, and elsewhere in this general area.

Senator **Nelson.** When is the OECD report and study to be completed, do you know?

Dr. **Shore.** Thus far, the OECD has received national reports on the activities of some dozen or more nations. These I do have in my possession, and will be happy to provide to you.

A synthesis of that set of reports is now in the last stages of preparation.

In addition, there is a forthcoming meeting of an OECD working party that is concerning itself with the "internal industrial environment," as they call it, that is going to discuss and prepare a final statement of findings relative to efforts to improve the quality of worklife. This report should be available sometime later in the year.

Mr. **Weiss.** Before the end of this year I would assume, Senator.

Senator **Nelson.** I wonder if the reports would be available for the staff to look at and see which of them may be appropriate summaries, or otherwise to print in the record, or otherwise available for our files for committee members?

Mr. **Weiss.** We shall be glad to make them available.

Senator **Nelson.** On page 14, in the first paragraph, last line of your statement, you state:

"And finally Government can be a model as well as a major employer, demonstrating by its own progressive policies and practices how work can be made more meaningful and effective."

There are some flexible worktime programs underway now, and I believe the Federal Government is furnishing some matching funds for such a program with the State of Wisconsin, is that not correct?

Mr. **Weiss.** I am unaware of that, but perhaps the next witness may be more knowledgeable.

Senator NELSON. You catch that in your survey of what other agencies are doing, I take it?

Mr. WEISS. I would hope so.

Senator NELSON. There is such a program.

Now, my query would be this. I think you are correct that the Government can be a model. Is anyone looking at, or trying to make a study to determine, how the Federal Government, through its vast number of employees, could in fact do the experiments that would make it a model?

In other words, I realize that some activity is going on. I just have noted from the papers that there is a partially funded Federal program with the State government in Wisconsin. There may be others.

But has anybody taken a look at the entire Federal Government and all the various problems that we are talking about, including worker participation in the area of decisionmaking, flexible time, all that sort of thing--is somebody taking a look at the whole Federal Government, with the objective ultimately of making a recommendation of a whole series of experiments which the Federal Government can do, so the Federal Government, as you suggest on page 14, can be a model for employers in the private sector?

Mr. WEISS. Without necessarily being sure of my facts, let me suggest that there are probably three Federal organizations who would be keeping an eye out over such activities.

Senator NELSON. I was not talking about keeping an eye out. I was talking about some place in the Federal Government, the Labor Department, or elsewhere, a program being developed to carry out all the experiments that we are talking about in the private sector so we can initiate a program to be the model that you talk about on page 14.

Mr. WEISS. I just do not know. To the extent such a program may exist, it probably resides in the Civil Service Commission, but that is just a mere surmise on my part.

Senator NELSON. I am advised that the Civil Service Commission testifies tomorrow. But the heart of the matter is, we have got more employees than anybody in the private sector. We are in a position to make the decision and carry out the experiment, and I think you are correct, we ought to serve as the model, but where do we start? And who does it? And since the Government does not have to go out and induce somebody in the private sector to give matching funds or this or that, where would you suggest we start?

It seems to me if we are going to be the model, we ought to get together the appropriate agencies and do an evaluation of what kind of program is most practicable and feasible for the Federal Government to experiment with.

What had they ought to be? What agencies and what areas? And then proceed with them. If it can not be done under current authority, which it probably cannot, then come to Congress requesting such authority.

Who is going to do that? Who is going to initiate the program you suggest, which is a good one? Government can be a model.

Mr. WEISS. Since the issue of personnel practices is, I would assume, primarily the concern of the Civil Service Commission, and since you indicate they are scheduled to appear before your committee tomorrow, may I humbly suggest that you raise, in the spirit of pure scientific inquiry, that question with them.

Senator **Nelson**. All right; I will.

It would seem to me it would take more than one agency, since there are a number of agencies engaged in a number of activities directly, those agencies should be better informed about the mission of the agency than the Civil Service would be.

So it is not purely a personnel management question to have Interior, with their vast number of responsibilities, going all the way from mines to offshore oil drilling, to parks, and the Commerce Department, the Department of Defense, I would think it would be most fruitful to utilize jointly the resources of the Civil Service Commission and the other agencies, and I will raise that question.

But if the Federal Government is going to be a model, as I think it should, we should proceed to do those things that will accomplish these most worthwhile goals. If we rely upon the private sector, their initiative will be the only motivating factor. They on their own initiative will no doubt make a vital contribution.

On the other hand, there are some things that the Government can do that the private sector may not attempt, or may not be able to attempt.

It seems to me that it is important to put together the critical mass necessary at the Federal level to make evaluations and decisions, and proceed to do the experimenting which may not be able to be done as easily or as controlled in the private sector.

Would you agree with that?

Mr. **Weiss**. I would agree with that. The Federal Government, of course, is a huge institution. But it operates through a series of discrete agencies and departments, and to that extent these discrete organizations have some of the characteristics of a private employer. I, unfortunately, am not too cognizant of whatever limitations or circumscriptions may impede or facilitate such experimentation.

It is for that reason I would suggest that the question really ought to be addressed to the Civil Service Commission, because that is their prime concern and their prime function, as I view it.

Certainly the need for coordination is self-evident.

Senator **Nelson**. Well, the thing that impedes progress most often is inertia. There are a lot of experiences where you propose a new idea to an agency, I do not care whether it is bureaucracy in private or public sector, they are both the same, and if it is not their idea, it is not very good. People get used to doing things the way they do things. They are doing them that way because they think that is best.

Any suggestion that they do them any other way is a hard attack on the way they are doing things, and people do not like to accept that.

I think you have got to have Cabinet level departmental heads involved in saying this is the program, and here is the way we ought to go.

You gentlemen who are experts in various agencies come up with the proposal for making certain kinds of studies, that is feasible for us to make in the workplace, and it will get done. But otherwise I am afraid it might not.

Well, thank you very much. I appreciate your taking time to come. I appreciate your very thoughtful contribution.

Mr. **Weiss**. Thank you, Senator.

[The prepared statement of Mr. Weiss follows:]

STATEMENT OF ABRAHAM WEISS
ASSISTANT SECRETARY FOR POLICY, EVALUATION AND RESEARCH
U.S. DEPARTMENT OF LABOR
BEFORE THE
SUBCOMMITTEE ON EMPLOYMENT, POVERTY, AND MIGRATORY LABOR
UNITED STATES SENATE

April 7, 1976

Thank you for this opportunity to participate in this most timely review of the quality of working life in America.

The Bicentennial year is a singularly appropriate occasion to reflect upon the quality of all facets of life in America, work and non-work alike. It is a time not only to look back in history to see how far we have progressed in furthering our national purposes, but also to determine the challenges we face as we approach the eve of our third century. If we are to successfully meet these challenges, we must anticipate the problems of the future and fully commit ourselves to seeking solutions for them.

One step in this direction, perhaps the most vital one, is the full airing of the problems we face in forums such as these hearings provide. It is only through public discussion and debate that we can bring these matters fully into the light, establish what our options are, and carefully --- and hopefully wisely -- select those courses of action that promise to further our national interests.

Although much has been said and written about the "quality of working life," one point stands out as particularly noteworthy. It is that "the most important part of the quality of work is the quantity of jobs." It goes without saying that the possession of a job is an essential precondition for meaningful and satisfying employment experience. We must not lose sight of this fact as we contemplate the quality of working life in America.

However, even as we attack the problems of unemployment - the problems of people out of work - we also should concern ourselves with the problems of people at work.

Moreover, these two prime issues are in some ways closely intertwined. The expansion of employment opportunity is very much contingent upon the successes we achieve in improving the productivity and performance of our economic institutions. That performance, in turn, depends on how well we employ and manage the nation's human resources. These institutions, private and public, can function effectively only if they provide jobs and working conditions which fully use the talents and promote the well-being of their employees. It is imperative, therefore, that we give full attention to both the quantity and quality of employment.

In no way does this mean that worker well-being is important only because of its import to national productivity and economic growth, although this relationship should concern us. The quality of life at work has its own inherent value and is also a vital aspect of improved quality of life generally. Therefore, it is an important goal in its own right. Enhancing the meaningfulness of work does not always require an economic pay-off. The ultimate measure of how well our economic system serves us is not only its material output but also the extent to which it meets the human needs of those who participate in it. To the extent that workers' needs, values, and aspirations change, I would assume that American management, and our work institutions -- both attuned to dynamic change -- will respond and accommodate. This is in keeping with our traditional willingness to experiment and innovate.

But how shall we define "the quality of working life?" Our answer to this question is important, for it in effect serves to specify our national goals and priorities. My own predilection is to conceive of the quality of working life in quite broad terms, so as to encompass all those features of jobs and employment conditions that have a bearing on the total well-being of the worker, and that serve either to satisfy or frustrate his needs and aspirations. I would include not only the more traditional concerns of job security, income sufficiency, and health and safety, but also those factors relating to the content of work itself which have given rise to much discussion and debate about job satisfaction. By adopting this broad perspective, I think that we can avoid the too common error of becoming preoccupied with limited segments of the total picture and thereby limiting the opportunity for constructive action.

By viewing the issue broadly, we necessarily increase the array of options for action that might enhance the quality of working life. We should examine concurrently all those features of employment that can make a difference to the worker and the organization, although not all of them may share the same high priority or require our immediate attention.

Although "the quality of working life" may be a relatively new expression, it is not an entirely new issue. Many of the concerns of the quality of working life movement date back to the earliest phases of our industrial development, with the beginnings of modern technology and bureaucratic forms of work organization. Alienation and job discontent are a matter of our industrial history, as witness the Luddites in the early 19th century. What is new in our times is a more insistent and widespread view -- perhaps reflecting a younger and better educated workforce -- that jobs and work organizations should respond more than they have in the past to the values, capabilities, and expectations of American workers. Some social science researchers report that workers want and expect their jobs to provide them with opportunities for personal development and achievement, to contribute to their feelings of dignity and self-worth, and to enable them to experience a sense of community. They believe that the gap between aspirations and reality, growing out of our forms of industrial organization, is at the core of the job alienation problem.

In developing our industrial and commerical institutions, we strove to promote efficiency and economic growth. We therefore developed work methods and organizations that put technology in the driver's seat and required workers to adapt to it as best they could. We divided labor into minute segments in order to achieve the efficiency of specialization and eagerly adopted bureaucracy as the "ideal" form of organization. This came to be known as "scientific management."

It did work, by and large. The country prospered, workers shared the fruits of economic growth, and achieved even higher standards of living.

But times and people's views do change. This has led to a fresh look at organizational forms and techniques and their impact on workers. As a result of such reviews, innovative alternatives are surfacing, designed to improve the relationship between the worker and his job, and even to recast the nature of work organizations. In fact, increasing numbers of organizations have elected to test and install alternative forms of work structures which strike a better balance between the social and technical components of work. Experimentation and innovation involving basic changes in the content and conditions of work appear to be gaining momentum.

Experts in the area of quality of working life reject a philosophy of work design and organization based on narrow specialization of function, short-cycle repetition, and the separation of planning from performance. They hold that, if we are to sustain our economic and social progress, we must give thought to new ways of organizing the performance of work so as to achieve a better balance of economic and human interests. An outcome of such work reorganization, they hold, would be a committed and productive workforce.

A growing, though still modest, number of experiments and innovative practices, both here and abroad, have attempted to "enlarge" or "enrich" or otherwise "humanize" jobs by increasing worker responsibility, autonomy, and participation in the affairs of their organizations. Some of the reports of these experiences claim wondrous results. Without necessarily accepting all such claims on their face value, some improvements and benefits seem to be substantiated. As of now, such experiments and experience are sporadic and occasional. What is required to extend and exploit this effort is largely a matter of national resolve, involving primarily broader segments of the industrial and labor community.

Obviously, a comprehensive strategy of work reform must focus on the job itself. But the conditions surrounding work; that is, the work environment, cannot be ignored. I refer here not only to the physical environment of the workplace, but also the social and economic conditions under which people labor. Intrinsically rewarding jobs are not likely to generate satisfying employment experiences if they are performed under conditions workers regard as physically, socially, and economically inequitable or oppressive. Why should the work environment be any less palatable than the environment in which people live outside of work? Should man, a social being, be compelled to function in isolation on the job, finding meaningful social relations only in his free time? These questions are being raised by those concerned with quality of working life.

In the last few years, still another set of options has come to the fore -- that having to do with the scheduling of hours of work. About 10 years ago, a National Commission on Technology, Automation, and Economic Progress was asked to address the issue of "appropriate periods of work -- daily, weekly, annually, and over a lifetime." After much study, the Commission was obliged to report that its members failed to reach a sufficient consensus to make any recommendations in this area. Had that body been active today, I venture to guess that, differences of opinion notwithstanding, it would have uncovered enough agreement to propose some directions for policy development worthy of serious consideration.

In the short space of a single decade, the concept of flexible or freely chosen working hours (flexitime) has emerged as a major topic of discussion and an area for a great deal of imaginative action. Having religiously adhered to fixed daily schedules for so long a time, organizations have not always found it easy to break with tradition, but they are beginning to recognize that by introducing at least a modicum of flexibility they can better meet the individual needs of their employees without having to sacrifice productive efficiency. I have been encouraged, in this regard, to see the largest of all employers in the country, the Federal Government, taking steps to incorporate flexible work schedules into its own personnel practices.

But the concept of the flexible work schedule is not necessarily limited to the workday and workweek. The life cycle of the great majority of workers in the United States follows a predetermined and relatively fixed course, leading from education to employment to retirement. Each transitional point represents an abrupt and complete change of status from one role to another, providing neither for continuity nor integration. For most people, once having made a transition, there is no return.

It seems appropriate to question whether this rigid compartmentalization of life meets either the needs of individuals or of economic institutions. By insulating students from the world of work, we ill-prepare them to enter and cope with it. By failing to provide opportunities for workers to intermix employment experience with educational experiences, we deny them the chance to develop their interests and capabilities, and to advance upward in the occupational hierarchy. Employers, too, may be shortchanged in the absence of a blending of education and work, for their employees are deprived of a major opportunity to advance their knowledge and skills so as to make them more effective and more productive.

Similarly, I question whether individual and organizational interests (and national interests) are well served by a life schedule that requires individuals suddenly to discontinue their longstanding productive role in the economy and face what is for many the emptiness of retirement. It is also an open question whether an employer should automatically terminate many of the most experienced and productive members of his workforce merely because they have reached some specified point of retirement.

One obvious approach to facilitating a desirable integration of education, employment and retirement is through the development of many more part-time job opportunities which would enable people to broaden their experiences and avoid the adjustment problems created by sudden changes in their life styles. I might add that more part-time employment opportunities, combined with flexible work schedules, also stand as a partial solution to the dilemma now faced by countless numbers of parents with home and family responsibilities who now must completely forego employment or reconcile themselves to less than satisfactory child-care arrangements in order to take full-time jobs.

If substantive changes in the nature of jobs and working conditions are to be made, to what extent will (or should) workers participate in these decisions? This issue is being raised increasingly, both here and abroad.

Broadening the base of decision-making to include effective participation of those affected by its outcomes, by workers whose efforts must be enlisted in carrying out the purposes of the organization, is considered by its proponents as an integral part of the quality of working life movement.

Work organizations are witnessing and experiencing a growing desire, perhaps a demand, by workers for work structures in which they may better employ their talents and participate in decisions affecting their future. Although taking different forms in different countries, a common element is the insistence by all members of the enterprise, whatever their station, that they have the opportunity to influence decisions affecting their jobs, their workplace, and thus, their working lives. How is one to view this quest for participation in decision-making? On the one hand, it can be regarded as a challenge to management authority and a threat to its established prerogatives. On the other hand, it may reflect a belief that in a democratic society, democratic values should be actualized in economic as well as political institutions. The additional point is made that worker participation permits management to enlist more effectively the knowledge and skills of the workforce in diagnosing and solving problems of mutual concern. This puts to the test the oft-made assertion that those who know best how work should be carried out are those who perform it. At the same time, we must recognize that broad worker participation in decision-making in an enterprise raises fundamental questions regarding the distribution of power and authority as well as the organization's ability to adapt quickly to economic and technical changes.

In view of the diversity of American industry and American workers, no single mechanism for worker participation is appropriate to all enterprise. There is no optimal organization structure or management system. Each organization must consider what is most appropriate for its own circumstances.

The situation is, of course, infinitely more complex in organizations where management-worker relations are governed by the provisions of collective bargaining agreements. Although these relations often have been adversarial, this does not preclude the development of collaborative forms of action regarding those matters that equally concern both parties. And certainly the economic health of the enterprise and the well-being of its workforce should be matters of common concern. Industrial relations history records many instances where management and labor have found a common ground for concern and joint action for their mutual benefit.

And what of the role of government in this still evolving quality of working life movement? What functions can or should government most appropriately and most effectively carry out?

By way of offering an answer, I first want to express my belief that the principal parties to action in the quality of work arena are those who are most directly concerned: management and workers. In this area as in others, government serves best when it intervenes least into the workings of the labor-management relationship. The more government regulates and controls, the less freedom the parties have to select those courses of action that promise to yield mutually benefical results.

This is not say, of course, that government can adopt a laissez faire position toward problems in the workplace. Where conditions of employment pose obvious threats to the well-being of workers and the welfare of the nation, government does take appropriate steps to eliminate or ameliorate them. At the same time, government's many regulatory functions should be subject to continuous reappraisal in the light of current problems and conditions, and evolving national goals.

There has been a growth of interest -- albeit modest -- on the part of governments at all levels in improving the quality of working life. It is sometimes difficult to distinguish these efforts from attempts to improve productivity in the technical sense. Undoubtedly, such interest and activities reflect the growing concern over recent productivity trends, budget constraints, and the current recession.

This is not to gainsay the fact that efforts have been and are currently being undertaken to improve the quality of working life for its own sake. Still, the two elements are often linked in practice.

The primary purpose that government may serve in a national effort to enhance the quality of working life is to stimulate and facilitate the efforts of management and labor to improve the organization and conditions of work. It can do this best by undertaking and supporting the research and evaluation necessary to clarify the nature of the problems we face, by spurring labor-management experiments and innovative programs, and by widely disseminating information on "best practices" or prototypes to institutional decision-makers so that they can make more informed decisions. And, finally, government can be a model as well as a major employer, demonstrating by its own progressive policies and practices how work can be made more meaningful and more effective.

The Department of Labor is intimately involved in advancing the quality of working life in America, pursuant to its charter to protect and improve the welfare of American workers. Hence, virtually every aspect of the Department's broad program is addressed to some dimension of work quality.

More specifically, however, the Labor Department has been carrying out a significant research effort to fill the many gaps in knowledge regarding the quality of work phenomenon. To date this activity has included, among other projects, two major national surveys of worker perceptions of the quality of their working life; an analysis of the relationship between specific job characteristics and the quality of work, as viewed by workers and employers; a groundbreaking effort toward the development of a set of social indicators of employment quality; several studies of the feasibility and utility of various innovative practices in work design, including employee participation in job structuring and pay plan development; an examination of work scheduling problems and prospects; a study of youth and the meaning of work; a demonstration project for the establishment of a clearinghouse and information network on productivity and quality of working life; and a survey of Federal R&D programs providing contracts and grants for studies of quality of working life issues.

A few months from now a book will be published presenting the observations and judgments of a number of experts we commissioned to examine strategies for Improving Life in Organizations. In an introductory message prefacing this review of the state-of-the art, the Vice President makes this statement: "Our Nation's progress in this last quarter of the 20th Century may hinge as much on social research invention as advances in earlier decades did on physical science and technology." This is a challenge to which the Labor Department's research and development program intends to continue to try to respond fully.

Today, new ideas are being fashioned and tested in the area of work organization and workers' roles. We are still in the experimental stage. We hope that the Department's research and development activities and findings may provide some guidance to those in management and labor who, responding to today's environment, seek in good faith to reappraise, and perhaps to restructure, our traditional ways of organizing our economic activity.

In conclusion, I note that Senator Nelson's invitations to give testimony states that the purpose of these hearings is "to begin a review of the quality of working life in America." I am sure that the information and opinions presented during these hearings will serve as an excellent foundation for a continuing and systematic examination of this vital issue. I know that I speak for Secretary Usery in pledging the Department's future cooperation in carrying it out.

Senator NELSON. The next witness is Mr. Hyman Krieger, Director of Federal Personnel and Compensation Division of the U.S. General Accounting Office.

Mr. Krieger, the committee is very pleased to have you here today, and appreciates your taking the time not only to come, but to prepare a statement on this subject matter.

Would you identify each of your associates so the hearing record will be accurate?

STATEMENT OF HYMAN L. KRIEGER, DIRECTOR, FEDERAL PERSONNEL AND COMPENSATION DIVISION, U.S. GENERAL ACCOUNTING OFFICE, ACCOMPANIED BY JERRY BALLINGER, PAUL NEWELL, DAVID LITTLETON, AND DON LEPPLA

Mr. KRIEGER. Thank you, Mr. Chairman. I am accompanied today on my left by Mr. Jerry Ballinger. On my right is Mr. Paul Newell, Mr. Dave Littleton and Mr. Don Leppla.

Each of my associates have been involved in the direction of one of the studies that I will be commenting on today.

Senator NELSON. Your statement will be printed in full in the record. You may present it however you so desire.

Mr. KRIEGER. Thank you, Mr. Chairman.

The thoughtful comments of the prior witness and the chairman have provided an excellent framework for the presentation of our statement today.

Basically we will be commenting upon our three reports, "Legal Limitations on Flexible and Compressed Work Schedules for Federal Employees," "Part-Time Employment in Federal Agencies," and a report we are submitting to the Congress today, "Contractors' Use of Altered Work Schedules for Their Employees—How Is It Working?"

Senator NELSON. What do you mean "Contractors' Use of Altered Work Schedules?"

Mr. KRIEGER. Here we refer to the private sector, those contractors who are performing under Government contracts, and those contractors that have a mixed operation, both Government and commercial.

Senator NELSON. Would you explain that a little more? Are you saying that there are some experiments in the use of altered work schedules for employees that the Federal Government has contracted with a private employer to perform, is that what you are saying?

Mr. KRIEGER. No. What I am saying is this, that Government in the acquisition of supplies and services, necessarily contracts with the private sector, and that work can be performed in plants where there is a mixed business, both private and Government.

I am not referring to the Government financing of experiments vis-a-vis altered work schedules. I am talking about the normal, everyday performance of work in the private economy.

Senator NELSON. When you say Government and private sector—Government contracts—I do not know what you are talking about.

Are you talking about a Government contract for the production of some item?

Mr. KRIEGER. Correct.

Senator **Nelson**. But the plant is owned by the private employer?

Mr. **Krieger**. Correct.

Senator **Nelson**. So there is a contract with the employer to produce a certain product?

Mr. **Krieger**. That is correct.

Senator **Nelson**. In the course of that there is some experiment going on in flexibility in the workplace?

Mr. **Krieger**. Correct. But the emphasis is that the experimentation is initiated by the private sector itself. These are the things that are going on in the private sector.

Senator **Nelson**. Are they experiments that the Government and the private employer have agreed would be done, and it just happens to be there is a contract with the Government for production in that particular plant——

Mr. **Krieger**. It just happens there is a contract for Government production in that particular plant.

Senator **Nelson**. You have sought and located the plant in which they are experimenting with flexible work hours or something, and since the Government has contracts there, you are studying that particular program and that particular plant where the Government has a contract, is that it?

Mr. **Krieger**. Yes.

Senator **Nelson**. All right.

Mr. **Krieger**. As you know, many changes in the work environment have occurred during recent years. New industries have come into being, new ways of producing items have been developed, and employee and employer attitudes toward work have changed.

Because of the increased interest in altered work schedules during recent years our office has looked into the legislation affecting their use to see whether legislative changes are needed so that our laws keep pace with the changing needs and desires of our society.

The first area I will cover is altered work schedules.

The report "Contractors' Use of Altered Work Schedules For Their Employees—How Is It Working?" is our second on altered work schedules. The first, "Legal Limitations on Flexible and Compressed Work Schedules for Federal Employees" was sent to the Congress on October 21, 1974, and concerned the use of altered work schedules by Federal employees.

Since the late 1960's many companies, local governments, and other organizations have reported using flexible and compressed work schedules with resulting benefits to employees, employers, and society at large.

The concept of flexible schedules has proven very popular in several European countries, and its use is increasing in this country. We found no reliable statistics on the number of organizations deviating from the traditional 5-day, 40-hour workweek.

However, one estimate made in mid-1974 was that about 3,000 U.S. organizations employing over 1 million workers had implemented a 4-day, 40-hour workweek.

During our research on altered work schedules, we gathered information on the advantages and disadvantages of variations in work hours and their possible application to employees of Federal Government agencies and contractors.

We discussed altered work schedules and related matters with various officials of the Civil Service Commission. Office of Management and Budget, and Department of Labor. We contacted five Federal organizations experimenting with altered work schedules; over 50 private companies, State and local governments, and other organizations with experience in flexible and compressed schedules; and 44 Government contractors. We also contacted representatives of various employee unions.

Senator NELSON. When you say five Federal organizations, what do you mean by organizations?

Mr. KRIEGER. These were Government agencies, or units of Government agencies that were experimenting with the use of such schedules.

In many work situations altered work schedules are advantageous to employees and to management in both the public and private sectors. Society in general also benefits.

The organizations we contacted were identified in various research materials as having experience with either flexible or compressed schedules and represented a broad range of types of organizations and geographic locations. The advantages and disadvantages identified by these organizations for both employees and employers were:

BETTER EMPLOYEE MORALE

Employees tend to be more task oriented and less time oriented. Also, since most other workers are on fixed schedules, those on altered schedules view themselves as having a privilege not enjoyed by the other workers.

REDUCED COMMUTING COST AND TIME

Altered schedules may permit employees to avoid rush hour traffic, making travel more efficient. With compressed schedules, the number of trips is generally reduced by 20 percent.

Senator NELSON. What do you mean by compressed schedules?

Mr. KRIEGER. For example, if an organization is on a 4-day schedule——

Senator NELSON. I see.

All right.

Mr. KRIEGER. It follows there is one less roundtrip to get to work.

RECRUITING ASSET

Employees view altered work schedules as a benefit.

INCREASED PRODUCTIVITY

Although difficult to measure, most organizations believed productivity either increases or maintains its existing level.

Senator NELSON. When you say "most organizations," you are talking about employer, employee—who are you talking about?

Mr. KRIEGER. All elements, both employer and employee.

REDUCED ABSENTEEISM

With flexible schedules, tardiness is virtually eliminated and the employee is less likely to take time off when he has to take care of personal business. Sick leave use is reduced as an employee may opt for a later start in the day rather than calling in sick for the entire day.

Reduced startup and shutdown costs and better capital asset utilization.

Senator **Nelson**. That is for a 4-day week?

Mr. **Krieger**. That is correct.

Where each day equipment must be warmed up, adjusted, shut down in advance for cleaning and maintenance, and such, a compressed schedule can reduce the amount of time lost to production by 20 percent on a 4-day schedule, and by 40 percent on a 3-day schedule. Or by operating longer hours, production can be increased without purchasing additional equipment.

Society can benefit in the following ways:

INCREASED JOB OPPORTUNITIES

Flexible schedules can open job opportunities to persons who are not able to adjust to fixed schedules.

REDUCED ENERGY CONSUMPTION

Compressed schedules reduce the number of home to work trips by 20 percent on a 4-day schedule and 40 percent on a 3-day schedule. Both compressed and flexible schedules permit reductions in gasoline consumption if employees commute during less congested times when traffic flow is smoother. Compressed schedules also permit reduced energy consumption when facilities are used fewer days a week.

Senator **Nelson**. But in many operations they need to go 6 days a week, so one or the other of those who run 6 days, and some of them more than that, also get a higher utilization of the capital investment of the plant?

Mr. **Krieger**. Correct.

We bring out later that this is not a panacea, and does not necessarily fit everybody's needs.

Senator **Nelson**. But the flexible work schedule is as applicable to a 5-day or 6-day schedule, which occurs in many plants, it is as applicable there from the standpoint of the employee productivity, morale, as it is of course to a 3- or 4-day week, is it not?

Mr. **Krieger**. Very much so.

Recreational facilities can be better utilized. Employees on compressed schedules have access to recreational facilities one additional day. Flexible schedules permit employees to adjust workhours to be more compatible with availability of such facilities.

However, altered work schedules are no panacea. They are not beneficial to everyone. There are disadvantages. For example:

More involved scheduling and supervisory coverage. When schedules are compressed, scheduling supervisors for Monday through Friday coverage can be difficult if the organization continues on a 5-day operation and individual employees are working less than 5 days. When schedules are flexible, assigning supervisors during all workhours is more difficult.

FATIGUE

The long workdays of compressed schedules can cause employee fatigue, particularly if physical labor is involved.

Senator NELSON. Have you ever made a study of a company that has flexible schedules, and works a 5-or 6-day week?

Mr. KRIEGER. We did gather information covering a wide range of companies.

Senator NELSON. There are a number of companies in the country—well, the one I recall the best is in the papermill industry in my State, where some of those plants have never had a layoff in 50 years.

What happened during the depression and at some other times was that they continued their production, but they reduced the workhours. So instead of laying people off, and instead of working a 6-day week or something, they worked a 3-day week.

All I am suggesting is that out there somewhere, particularly in the papermill industry, there are plants that in fact have dealt with the question of running a flexible schedule because they did not want to lay people off. They worked less hours per week, but they kept everybody on.

It might be worthwhile looking at the managerial problem involved there, because they in fact did manage it.

Mr. KRIEGER. Yes. I believe the practice that you refer to is also going on in the tire industry, and comparable activities.

ADMINISTRATIVE PROBLEMS

For compressed schedules, new arrangements are needed for holiday compensation. For flexible schedules, timekeeping functions to insure that employees work their full hours each workday are more complex.

ENERGY CONSUMPTION CAN INCREASE

Energy use can increase when facilities are kept open longer hours under flexible scheduling.

Even though many persons and organizations might benefit from altered work schedules, certain Federal laws limit their use.

For Federal employees title 5 of the U.S. Code sets rigid workhours and overtime pay requirements which impede experimentation with altered work schedules.

The point I elaborate on here I believe addresses the very questions you posed for the prior witness.

Chapter 61 of title 5 generally provides for a 5-day, 40-hour workweek with the working hours in each day of the workweek being the same. The basic nonovertime workday may not exceed 8 hours.

Also, compensatory time is allowable only at the employee's request for occasional or irregular overtime unless his rate of basic pay is more than the maximum rate for GS-10.

Senator NELSON. These are statutory. You refer to the U.S. Code. Is there no flexibility in the statute?

Mr. KRIEGER. Only in those instances where the requirements for overtime are other than on a regular basis. There is some flexibility, but the requirement is that the workweek be 8 hours a day, 40 hours a week, with only occasional, or irregular overtime being accommodated.

Senator NELSON. Are you saying that two people then could not hold one job under the statute, or are you talking about the position itself is a 40-hour-per-week position, or are you talking about the individuals?

Mr. KRIEGER. I am talking about the individual not being permitted to work more than 8 hours a day, or 40 hours a week, without the payment of overtime. The emphasis there is on the payment of overtime.

Senator NELSON. You are not saying, I take it, the converse, that the employee may work less than 40 hours a week?

Mr. KRIEGER. As a part-time employee, yes.

Senator NELSON. Well, supposing it was a shared work schedule, two people holding one job, is that permissible under the statute?

Mr. KRIEGER. Chapter 61 of title 5 deals basically with the workweek.

Now, the question that you are posing can be accomplished, but it can be accomplished basically through employment of part-time personnel, one perhaps working 4 hours in the morning, and another individual working 4 hours in the afternoon.

Senator NELSON. The prohibition of the U.S. Code that you have cited on page 4, does not address itself to the question of sharing at all?

Mr. KRIEGER. That is correct.

Senator NELSON. Overtime——

Mr. KRIEGER. Correct.

Senator NELSON. Well, there are all kinds of people who work in the work force who like to work half-time. They may not be able to work any more.

This statute does not prohibit that managerial option?

Mr. KRIEGER. That is correct. We are not aware of any impediments in title 5 on the use of part-time employees.

Thus, title 5 appears to impede 4-day, 40-hour schedules because employees may not work over 8 hours in any 1 day without receiving overtime pay, schedules which allow employees to work varying numbers of hours each day, and 4-day, 40-hour schedules which use compensatory time for overtime worked on a recurring and regular basis.

Senator NELSON. You say title 5 appears to impede—is that the interpretation of the lawyers in the GAO?

Mr. KRIEGER. Correct.

Senator NELSON. Does the GAO recommend any modification of that?

Mr. KRIEGER. We have so recommended, and I will deal with that later in the statement.

Senator NELSON. All right.

You recommend modification, and just so it will be clear at this point in the record, would you leave the question of flexibility to rulemaking or administrative decisions, is that what you would do?

Mr. KRIEGER. Well, basically we were attempting to address the question that you posed earlier, and that is this. There is a need for flexibility within Government. There is a need for experimentation within Government. There is a need for the Civil Service Commission to assume a leadership role in seeking legislative authorization to not only encourage experimentation, but to accumulate the kinds of information that will make possible the broadest use of flexible working arrangements within Government.

Senator NELSON. Now, you have made a specific recommendation to modify that—let us put it another way—do you address later in your statement, recommendations you have made to modifications in the statute respecting flexibility in the work statute?

Mr. KRIEGER. Yes, Senator Nelson.

Senator NELSON. All right.

Mr. KRIEGER. For Federal contractors, such laws as the Contract Work Hours and Safety Standards Act and the Walsh-Healey Act limit the use of compressed and flexible schedules because they require the payment of overtime premiums of at least 1½ times the employees' basic hourly salary whenever they work more than 8 hours a day, or 40 hours a week.

Both Federal agency and Government contractor employees come under the Fair Labor Standards Act, which requires that employees subject to the overtime provisions of the act, be paid overtime for work exceeding 40 hours a week.

Senator NELSON. You are also saying, and exceeding 8 hours a day. Suppose it is 40 hours, 10 hours a day?

Mr. KRIEGER. The Fair Labor Standards Act basically sets it on total number of hours worked within a week, 40 hours within a week. It does permit flexibility within that week.

Senator NELSON. So overtime is not required by statute for Federal employees who work on a 40-hour week, 4 days, 10 hours?

Mr. KRIEGER. Federal employees are required to be paid overtime at any time that they work in excess of 8 hours a day, other than in those cases of irregular or occasional overtime.

Senator NELSON. So you could not institute, under the provisions of the U.S. Code, a 4-day, 40-hour week in any area of Federal employees without paying overtime?

Mr. KRIEGER. Correct.

Senator NELSON. Does the GAO recommend a modification of that statute?

Mr. KRIEGER. Yes, we do.

Senator NELSON. All right.

Mr. KRIEGER. The Fair Labor Standards Act may also render compensatory time inappropriate for nonexempt Federal employees. These requirements do not allow employees to bank and borrow time.

For example, given a 2-week work period, an employee in nonovertime status could not work more than 40 hours the first week and expect to work fewer than 40 the next week.

We concluded that in many work situations in the Federal sector, altered work schedules are advantageous to management and employees.

Work schedules in the Government should be established on the basis of the needs and objectives of the work to be performed rather than on a predetermined and inflexible workday.

Many non-Federal organizations which have successfully implemented altered schedules, such as hospitals, computer facilities, and other service groups, have characteristics similar to Federal Government units.

Those Federal activities which have experimented with altered schedules have also reported benefits. In our opinion, altered schedules for selected Federal activities can benefit the Government, its employees and the public.

We recommended, in our October 21, 1974 report, that as a means of determining altered schedules' applicability to Federal employees, the Chairman of the Civil Service Commission:

Seek legislation to amend title 5 and the Fair Labor Standards Act [FLSA] to permit testing of flexible and compressed work schedules.

Help implement and closely monitor tests of altered schedules to obtain data on the results.

Maintain data which will identify those work schedules which contribute most to efficient agency operations.

At the end of the test period, determine whether altered work schedules will have wider or more general application and seek necessary legislative action.

Senator NELSON. That recommendation was made October 21, 1974?

Mr. KRIEGER. That is right.

Senator NELSON. Has there been any implementation of the recommendation?

Mr. KRIEGER. No, there has not, pending enactment by Congress, or action by Congress on the legislation that was introduced by the Civil Service Commission.

Senator NELSON. They cannot introduce legislation. Who introduced it?

Mr. KRIEGER. Chairman Henderson.

Senator NELSON. Has it been introduced in both Houses?

Mr. KRIEGER. No. It has been introduced in the House.

Senator NELSON. When was it introduced in the House?

Mr. KRIEGER. July 30, 1975.

Senator NELSON. Thank you.

Mr. KRIEGER. The Civil Service Commission concurred in our recommendations.

In commenting on the draft report, the Chairman agreed that current laws place considerable limitations on the Federal Government's ability to implement new rearranged workweek concepts, even on an experimental basis. CSC has submitted H.R. 9043 to the Congress.

The bill proposes to amend title 5 and the Fair Labor Standards Act to permit testing of flexible and compressed work schedules for Federal employees. We reviewed the bill and believe it is responsive to our recommendations. We ask that the Congress favorably consider it.

Senator NELSON. Has that bill had any hearings?

Mr. KRIEGER. It has. Hearings were held in September, 1975.

Senator NELSON. The House Civil Service Committee, is that right?

Mr. KRIEGER. Correct.

With your permission, I will make available our October 21, 1974 report as a part of the record.

Senator NELSON. It will be received.

Mr. KRIEGER. With regard to our recent work relating to Government contractors, they too have more difficulty using altered work schedules than other employers. This occurs because the Contract Work Hours and Safety Standards Act and the Walsh-Healey Act require payment of overtime premiums whenever employees work more than 8-hours a day.

Also, the requirements in the Fair Labor Standards Act to pay overtime when employees work over 40 hours a week limit work-hour flexibility for employees of Government contractors and other employers.

Thus, current Federal requirements make it more difficult for organizations using altered work schedules to do business with Government.

Although not all organizations can benefit from or use altered work schedules, employees and employers have benefitted in many instances where they have been used.

Senator NELSON. That last sentence, second paragraph, "Thus, current Federal requirements make it more difficult for organizations using altered work schedules to do business with Government," you are saying that if a company does have a four day, 10-hour workweek, it would be required to pay overtime because it has Government contracts?

Mr. KRIEGER. Where those employees are working on Government contracts they would have to meet the standards of legislation, and pay overtime for those hours in excess of the 8 hours, a day.

Senator NELSON. So the most innovative employers who are experimenting are penalized in terms of their ability to contract with the Federal Government?

Mr. KRIEGER. That is a possibility.

Senator NELSON. If they had to pay overtime, their costs could be higher in their competition to bid?

Mr. KRIEGER. Right. In our data gathering we identified a specific instance where a contractor might have been disadvantaged because of this requirement.

Senator NELSON. In those companies that you have looked at, where they have 10-hour, 4-day—40-hour week—do they not pay overtime?

Mr. KRIEGER. They would pay overtime when more than 40 hours may have been worked.

Senator NELSON. Would they pay overtime if it is a 4-day, 10-hour day, 40-hour week? They do not pay overtime in those circumstances?

Mr. KRIEGER. They do not.

If they are not working on a contract with the Federal Government, by law there is no requirement for overtime under those circumstances. If they are doing Federal contract work, overtime is required for any work exceeding 8 hours a day or 40 hours a week.

Senator NELSON. Compensation to employees is 3 days off?

Mr. KRIEGER. Correct.

Senator NELSON. A 4-day week?

Mr. KRIEGER. Yes.

Some organizations believe current legal requirements should be revised to permit greater use of altered work schedules.

We believe revisions to current Federal laws are needed if employees of Government contractors are to be permitted to use certain altered work schedule arrangements.

At the same time, the need must be recognized to protect employees in those situations when long hours of labor could be detrimental to their well-being.

The 94th Congress has under consideration two bills to amend the Federal overtime requirements applicable to Government contractors.

These bills, H.R. 2625, and H.R. 4814, would amend the Walsh-Healey Act and the Contract Work Hours and Safety Standards Act.

The bills provide that Government contractors, whose employees work a 4-day compressed schedule, would be required to pay employees at overtime premium rates only when the number of hours worked exceeded 10 hours a day or 40 hours a week. Current provisions would remain in effect for employees continuing on a 5-day workweek.

In the report which we are submitting today, we are recommending that the Congress, when considering the proposed legislation to amend the Contract Work Hours and Safety Standards Act and the Walsh-Healey Act include provisions to:

Require Government contractors using compressed schedules for their employees to pay overtime premium rates when a 4-day schedule is used and the number of hours worked exceeds 10 a day or when a 3-day schedule is used and the number of hours worked exceeds 12 a day, except as we shall discuss later with respect to banking and borrowing time under flexible schedules.

Permit Government contractors to use flexible schedules under which employees could bank and borrow time by working more than 8 hours a day or 40 hours a week at the employee's convenience without the contractor being required to pay overtime premium rates for the hours worked in excess of 8 a day.

To maintain the integrity of the 40-hour workweek provided for in these acts, a provision should be included that the number of hours worked without payment of overtime premiums do not exceed, on the average, more than 40 hours a week over a period of time, possibly a month or several months. This would also require exempting Government contractors involved from the 40 hour workweek requirement in the Fair Labor Standards Act or changing the act to allow banking and borrowing of time.

The above recommendations concern the overtime requirements that apply to Government contractors. While their adoption would provide additional opportunities for Government contractors to use altered schedules, the existence of separate overtime requirements for non-Government contractors remains.

Therefore, we also are recommending that the Congress consider, as a long-range objective, establishing more uniform Federal policies on overtime requirements for employees giving consideration to the advantages of altered work schedules cited in our report.

With your permission, I will make available the report we are issuing today as part of the record.

Senator NELSON. How long is that report?

Mr. KRIEGER. I would say 40 pages.

Senator NELSON. We will receive it for the record.

Mr. KRIEGER. I would now like to discuss another of our reports concerning part-time employees.

On January 2, 1976, we issued a report on "Part-time Employment in Federal agencies." This report discussed ways part-time employees were used in 21 Federal agencies and the U.S. Postal Service, advantages and disadvantages of using them, and constraints on using more.

As you know, the President and the Congress have long been concerned about limiting the total number of employees on the Federal payroll; their concern has intensified as payroll costs have increased.

Yet, enough skilled, experienced personnel must be obtained if the programs approved by the President and the Congress are to be effectively, efficiently, and economically executed.

The Government's programs and functions are carried on primarily by its full-time permanent work force. However, the Civil Service Commission has recognized that in some circumstances—such as when workloads fluctuate or less than 40 hours a week of staff time is needed—using part-time employees may be the best and most economical way of accomplishing necessary work.

In providing part-time employment, the Government can draw from a great pool of talent that may not be needed or available full time. Part-time employment also benefits many categories of people: those who cannot or choose not to work full time; the handicapped who cannot bear the strains of a long day or cope with rush hour traffic; students and individuals undergoing retraining who must be partially or totally self-supporting; experienced, trained older employees who prefer to continue to work part time rather than retire; and retired annuitants.

Part-time employees occupied various types of positions but were generally used as clerical workers. Some agencies used part-time workers in professional or semi-professional positions—as attorneys, claim representatives, inspectors, and staff assistants—but rarely in supervisory or management positions. According to agency officials, full-time employees are needed in such positions to assume the responsibility and provide the continuity of effort required to maintain stability in the work force.

Reported advantages of using part-time employees included (1) greater flexibility in meeting temporary increases in personnel requirements for seasonal workload peaks and for emergency work and special projects and (2) having quality personnel who might not otherwise be available.

Disadvantages included (1) increased training and administrative costs because of the high turnover rate and (2) problems in scheduling work to accommodate the hours workers are available.

Agency officials told us that funding limitations and personnel ceilings had prevented them from hiring more part-time employees. In our report we recommended that the Director, Office of Management and Budget, eliminate or relax personnel ceilings for part-time employees on a test basis to allow agencies the flexibility of using—wtihin their available funds—enough part-time employees, with appropriate skills and experience, to accomplish their functions efficiently and productively.

Senator NELSON. When was that recommendation made to the Director of OMB?

Mr. KRIEGER. That was made late last year, and is again included in our January 1976, report.

Senator NELSON. Some time in November, December, last year you say?

Mr. KRIEGER. It was early summer.

Senator NELSON. Early summer. It has been approaching a year?

Mr. KRIEGER. Correct.

Senator NELSON. Has the Office of Management and Budget reacted to that recommendation?

Mr. Krieger. Yes.

Senator Nelson. Do you cover that later on?

Mr. Krieger. Yes.

Senator Nelson. All right. Continue.

Mr. Krieger. The Director agreed on the desirability of part-time employment and the need to find appropriate ways to make hiring part-time employees easier, but he did not believe that further relaxing personnel ceilings was necessary. He believed that it is fundamentally desirable to control the number of employees on the Federal payroll and that the present employment ceilings provided the necessary flexibility for agency heads to accommodate the respective needs of their agencies to meet peak loads with temporary or part-time employment.

We are in agreement with the Director that the Federal work force should be no larger than needed to effectively, efficiently, and economically carry out the programs and functions approved by the President and the Congress.

However, emphasis on limiting the number of persons on the Federal payroll may obscure the reality that the Government incurs the cost of getting essential work done regardless of the type of manpower used.

Senator Nelson. Was the Office of Management and Budget concerned about the numbers, or was it concerned about the money? The money I would assume would be the same.

Mr. Krieger. I would say the prime concern was the numbers.

Senator Nelson. What has that got to do with anything?

Mr. Krieger. I think you are reaffirming——

Senator Nelson. Other than an annual report which says there are *x* number of Federal employees, and if there are more, which there are always, it is subject to criticism, and is there any other reason that you can think of?

Mr. Krieger. The chairman has stated basically our position. We are in agreement with that.

Senator Nelson. All right.

There was no other reason that you can think of?

Mr. Krieger. No.

In our opinion, the budget and appropriation process provide the President and the Congress effective means of controlling the numbers of persons that can be hired.

With your permission, I will make available the report as part of the record.

Senator Nelson. We will receive the report as part of the record.

You made a very interesting and very valuable contribution to these hearings. Your recommendations for statutory changes and rules and regulation changes at first impression certainly strike me as sound and useful.

I would, under other circumstances, spend some more time asking some questions, but if we do have some, I assume you would be willing to respond to them in writing. We have a time constraint of finishing by 1 o'clock.

Thank you very much.

Mr. Krieger. Thank you.

[The prepared statement of Mr. Krieger and the three reports referred to previously follow:]

Statement of
H. L. Krieger, Director
Federal Personnel and Compensation Division
before the
Subcommittee on Employment, Poverty and Migratory Labor
of the Senate Labor and Public Welfare Committee
on
GAO Reports and Reviews Concerning
Flexible and Compressed Work
Schedules in Federal Agencies
and Government Contractors
and Federal Part-Time Employment

Mr. Chairman and Members of the Subcommittee:

I appreciate your invitation to discuss our reports "Legal Limitations on Flexible and Compressed Work Schedules For Federal Employees," "Part-Time Employment in Federal Agencies," and a report we are submitting to the Congress today "Contractors' Use of Altered Work Schedules for Their Employee--How Is It Working?"

As you know, many changes in the work environment have occurred during recent years. New industries have come into being, new ways of producing items have been developed, and employee and employer attitudes toward work have changed. Because of the increased interest in altered work schedules during recent years, our Office has looked into the legislation affecting their use to see whether legislative changes are needed so that our laws keep pace with the changing needs and desires of our society.

The first area I will cover is altered work schedules.

ALTERED WORK SCHEDULES

The report "Contractors' Use of Altered Work Schedules for Their Employees--How Is It Working?" is our second on altered work schedules. The first, "Legal Limitations on Flexible and Compressed Work Schedules For Federal Employees" was sent to the Congress on October 21, 1974, and concerned the use of altered work schedules by Federal employees.

Since the late 1960s many companies, local governments, and other organizations have reported using flexible and compressed work schedules with resulting benefits to employees, employers, and society at large. The concept of flexible schedules has proven very popular in several European countries, and its use is increasing in this country. We found no reliable statistics on the number of organizations deviating from the traditional 5-day, 40-hour workweek. However, one estimate made in mid-1974 was that about 3,000 U.S. organizations employing over 1 million workers had implemented a 4-day, 40-hour workweek.

During our research on altered work schedules, we gathered information on the advantages and disadvantages of variations in work hours and their possible application to employees of Federal Government agencies and contractors. We discussed altered work schedules and related matters with various officials of the Civil Service Commission, Office of Management and Budget, and Department of Labor. We contacted five Federal organizations experimenting with altered work schedules; over 50 private companies, State and local governments, and other organizations with experience in flexible and compressed schedules; and 44 Government contractors. We also contacted representatives of various employee unions.

Advantages and Disadvantages

In many work situations altered work schedules are advantageous to employees and to management in both the public and private sectors. Society in general also benefits.

The organizations we contacted were identified in various research materials as having experience with either flexible or compressed schedules and represented a broad range of types of organizations and geographic locations. The advantages and disadvantages identified by these organizations for both employees and employers were:

--better employee morale. Employees tend to be more task oriented and less time oriented. Also, since most other workers are on fixed schedules, those on altered schedules view themselves as having a privilege not enjoyed by the other workers.

--reduced commuting cost and time. Altered schedules may permit employees to avoid rush hour traffic, making travel more efficient. With compressed schedules, the numer of trips is generally reduced by 20 percent.

--recruiting asset. Employees view altered work schedules as a benefit.

--increased productivity. Although difficult to measure, most organizations believed productivity either increases or maintains its existing level.

--Reduced absenteeism. With flexible schedules, tardiness is virtually eliminated and the employee is less likely to call in sick when he has to take care of personal business. Sick leave use is reduced as an employee may opt for a later start in the day rather than calling in sick for the entire day.

--Reduced startup and shutdown costs and better capital asset utilization. Where each day equipment must be warmed up, adjusted, shut down in advance for cleaning and maintenance, and such, a compressed schedule can reduce the amount of time lost to production by 20 percent on a 4-day schedule and by 40 percent on a 3-day schedule. Or by operating longer hours, production can be increased without purchasing additional equipment.

Society can benefit in the following ways:

--Increased job opportunities. Flexible schedules can open job opportunities to persons who are not able to adjust to fixed schedules.

--Reduced energy consumption. Compressed schedules reduce the number of home to work trips by 20 percent on a 4-day schedule and 40 percent on a 3-day schedule. Both compressed and flexible schedules permit reductions in gasoline consumption if employees commute during less congested times when traffic flow is smoother. Compressed schedules also permit reduced energy consumption when facilities are used fewer days a week.

--Recreational facilities can be better utilized. Employees on compressed schedules have access to recreational facilities one additional day. Flexible schedules permit employees to adjust workhours to be more compatible with availability of recreational facilities.

However, altered work schedules are no panacea. They are not beneficial to everyone. There are disadvantages. For example:

--More involved scheduling and supervisory coverage. When schedules are compressed, scheduling supervisors for Monday through Friday coverage can be difficult if the organization continues on a 5-day operation and individual employees are working less than 5 days. When schedules are flexible, assigning supervisors during all workhours is more difficult.

- --Fatigue. The long workdays of compressed schedules can cause employee fatigue, particularly if physical labor is involved.
- --Administrative problems. For compressed schedules, new arrangements are needed for holiday compensation. For flexible schedules, timekeeping functions to ensure that employees work their full hours each workday are more complex.
- --Energy consumption can increase. Energy use can increase when facilities are kept open longer hours under flexible scheduling.

Legal Impediments

Even though many persons and organizations might benefit from altered work schedules, certain Federal laws limit their use.

For Federal employees Title 5 of the U.S. Code sets rigid workhours and overtime pay requirements which impede experimentation with altered work schedules.

Chapter 61 of Title 5 generally provides for a 5-day, 40-hour workweek with the working hours in each day of the workweek being the same. The basic nonovertime workday may not exceed 8 hours. Also, compensatory time is allowable only at the employee's request for occasional or irregular overtime unless his rate of basic pay is more than the maximum rate for GS-10.

Thus, Title 5 appears to impede

- --4-day, 40-hour schedules because employees may not work over 8 hours in any 1 day without receiving overtime pay,
- --schedules which allow employees to work varying numbers of hours each day, and

--4-day, 40-hour schedules which use compensatory time for overtime worked on a recurring and regular basis.

For Federal contractors, such laws as the Contractor Work Hours and Safety Standards Act and the Walsh-Healey Act limit the use of compressed and flexible schedules because they require the payment of overtime premiums of at least 1 1/2 times the employees' basic hourly salary whenever they work more than 8 hours a day or 40 hours a week.

Both Federal agency and Government contractor employees come under the Fair Labor Standards Act, which requires that employees, subject to the overtime provisions of the act, be paid overtime for work exceeding 40 hours a week. It may also render compensatory time inappropriate for nonexempt Federal employees. These requirements do not allow employees to bank and borrow time. For example, given a 2-week work period, an employee in nonovertime status could not work more than 40 hours the first week and expect to work fewer than 40 the next week.

Conclusions and Recommendations Concerning Federal Employees

We concluded that in many work situations in the Federal sector, altered work schedules are advantageous to management and employees.

Work schedules in the Government should be established on the basis of the needs and objectives of the work to be performed rather than on a predetermined and inflexible workday. Many non-Federal organizations which have successfully implemented altered schedules, such as hospitals, computer facilities, and other service groups, have characteristics similar to Federal Government units. Those Federal activities which have experimented with altered schedules have also reported benefits. In our opinion, altered schedules for selected Federal activities can benefit the Government, its employees, and the public.

We recommended, in our October 21, 1974, report, that as a means of determining altered schedules' applicability to Federal employees, the Chairman of the Civil Service Commission:

- --Seek legislation to amend Title 5 and the Fair Labor Standards Act (FLSA) to permit testing of flexible and compressed work schedules.
- --Help implement and closely monitor tests of altered schedules to obtain data on the results.
- --Maintain data which will identify those work schedules which contribute most to efficient agency operations.
- --At the end of the test period, determine whether altered work schedules will have wider or more general application and seek necessary legislative action.

Civil Service Commission Actions

The Civil Service Commission concurred in our recommendations. In commenting on the draft report, the Chairman agreed that current laws place considerable limitations on the Federal Government's ability to implement new rearranged workweek concepts, even on an experimental basis. CSC has submitted H.R. 9043 to the Congress. The bill proposes to amend Title 5 and the Fair Labor Standards Act to permit testing of flexible and compressed work schedules for Federal employees. We reviewed the bill and believe it is responsive to our recommendations. We ask that the Congress favorably consider it.

With your permission, I will make available our October 21, 1974, report as a part of the record at this point.

Conclusions and Recommendations Concerning Government Contractors' Use of Altered Work Schedules

With regard to our recent work relating to Government contractors, they too have more difficulty using altered work schedules than other employers. This occurs because the Contract Work Hours and Safety Standards Act and the Walsh-Healey Act require payment of overtime premiums whenever employees work more than 8 hours a day. Also, the requirements in the Fair Labor Standards Act to pay overtime when employees work over 40 hours a week limit work-hour flexibility for employees of Government contractors and other employers. Thus, current Federal requirements make it more difficult for organizations using altered work schedules to do business with Government.

Although not all organizations can benefit from or can use altered work schedules, employees and employers have benefited in many instances where they have been used. Some organizations believe current legal requirements should be revised to permit greater use of altered work schedules.

We believe revisions to current Federal laws are needed if employees of Government contractors are to be permitted to use certain altered work schedule arrangements. At the same time, the need must be recognized to protect employees in those situations when long hours of labor could be detrimental to their well-being.

The 94th Congress has under consideration two bills to amend the Federal overtime requirements applicable to Government contractors. These bills, H.R. 2625, and H.R. 4814, would amend the Walsh-Healey Act and the Contract Work Hours and Safety Standards Act. The bills provide that Government contractors, whose employees work a 4-day compressed schedule, would be required to pay employees at overtime premium rates only when the number of hours worked exceeded 10 hours a day or 40 hours a week. Current provisions would remain in effect for employees continuing on a 5-day workweek.

In the report which we are submitting today, we are recommending that the Congress, when considering the proposed legislation to amend the Contract Work Hours and Safety Standards Act and the Walsh-Healey Act include provisions to:

--Require Government contractors using compressed schedules for their employees to pay overtime premium rates when a 4-day schedule is used and the number of hours worked exceeds 10 a day or when a 3-day schedule is used and the number of hours worked exceeds 12 a day, except as we shall discuss later with respect to banking and borrowing time under flexible schedules.

--Permit Government contractors to use flexible schedules under which employees could bank and borrow time by working more than 8 hours a day or 40 hours a week at the employees' convenience without the contractor being required to pay overtime premium rates for the hours worked in excess of 8 a day. To maintain the integrity of the 40-hour workweek provided for in these acts, a provision should be included that the number of hours worked without payment of overtime premiums do not exceed, on the average, more than 40 hours a week over a period of time, possibly a month or several months. This would also require exempting Government contractors involved from the 40-hour workweek requirement in the Fair Labor Standards Act or changing the Act to allow banking and borrowing of time.

The above recommendations concern the overtime requirements that apply to Government contractors. While their adoption would provide additional opportunities for Government contractors to use altered schedules, the existence of separate overtime requirements for non-Government contractors remains.

Therefore, we also are recommending that the Congress consider, as a longrange objective, establishing more uniform Federal policies on overtime requirements fro employees giving consideration to the advantages of altered work schedules cited in our report.

With your permission, I will make available the report we are issuing today as part of the record.

PART TIME EMPLOYEES

I would now like to discuss another of our reports concerning part-time employees.

On January 2, 1976, we issued a report on "Part-Time Employment in Federal Agencies." This report discussed ways part-time employees were used in 21 Federal agencies and the U.S. Postal Service, advantages and disadvantages of using them, and constraints on using more.

As you know, the President and the Congress have long been concerned about limiting the total number of employees on the Federal payroll; their concern has intensified as payroll costs have increased. Yet, enough skilled, experienced personnel must be obtained in the programs approved by the President and the Congress are to be effectively, efficiently, and economically executed.

The Government's programs and functions are carried on primarily by its full-time permanent work force. However, the Civil Service Commission has recognized that in some circumstances--such as when workloads fluctuate or less than 40 hours a week of staff time is needed, using part-time employees may be the best and most economical way of accomplishing necessary work.

In providing part-time employment, the Government can draw from a great pool of talent that may not be needed or available full time. Part-time employment also benefits many categories of people: those who cannot or choose not to work full time; the handicapped who cannot bear the strains of a long day or cope with rush-hour traffic; students and individuals undergoing retraining who must be partially or totally self-supporting; experienced, trained older employees who prefer to continue to work part time rather than retire; and retired annuitants.

Part-time employees occupied various types of positions but were generally used as clerical workers. Some agencies used part-time workers in professional or semiprofessional positions--as attorneys, claim representatives, inspectors, and staff assistants--but rarely in supervisory or management positions. According to agency officials, full-time employees are needed in such positions to assume the responsibility and provide the continuity of effort required to maintain stability in the work force.

Reported advantages of using part-time employees included (1) greater flexibility in meeting temporary increases in personnel requirements for seasonal workload peaks and for emergency work and special projects and (2) having quality personnel who might not otherwise be available. Disadvantages included (1) increased training and administrative costs because of the high turnover rate and (2) problems in scheduling work to accommodate the hours workers are available.

Agency officials told us that funding limitations and personnel ceilings had prevented them from hiring more part-time employees. In our report we recommended that the Director, Office of Management and Budget, eliminate or relax personnel ceilings for part-time employees on a test basis to allow agencies the flexibility of using--within their available funds--enough part-time employees, with appropriate skills and experience, to accomplish their functions efficiently and productively.

The Director agreed on the desirability of part-time employment and the need to find appropriate ways to make hiring part-time employees easier, but he did not believe that further relaxing personnel ceilings was necessary. He believed that it is fundamentally desirable to control the number of employees on the Federal payroll and that the present employment ceilings provided the necessary flexibility for agency heads to accommodate the respective needs of their agencies to meet peak loads with temporary or part-time employment.

We are in agreement with the Director that the Federal work force should be no larger than needed to effectively, efficiently, and economically carry out the programs and functions approved by the President and the Congress. However, emphasis on limiting the number of persons on the Federal payroll may obscure the reality that the Government incurs the cost of getting essential work done regardless of the type of manpower used. In our opinion, the budget and appropriation processes provide the President and the Congress effective means of controlling the numbers of persons that can be hired. With your permission, I will make available the report as part of the record.

This concludes my statement, Mr. Chairman; I will be pleased to answer any questions.

UNITED STATES GENERAL ACCOUNTING OFFICE

REPORT TO THE CONGRESS

Legal Limitations On Flexible And Compressed Work Schedules For Federal Employees B-179810

Civil Service Commission

BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

OCT.21,1974

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-179810

To the Speaker of the House of Representatives
and the President pro tempore of the Senate

This is our report on flexible and compressed work schedules and their possible application to Federal employees.

We made our review pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

We are sending copies of this report today to the Director, Office of Management and Budget, and to the Chairman, Civil Service Commission.

Elmer B. Staats
Comptroller General
of the United States

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ABBREVIATIONS

GAO	General Accounting Office
FLSA	Fair Labor Standards Act
CSC	Civil Service Commission

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

LEGAL LIMITATIONS ON FLEXIBLE
AND COMPRESSED WORK SCHEDULES
FOR FEDERAL EMPLOYEES
Civil Service Commission
B-179810

DIGEST

WHY THE REVIEW WAS MADE

During fiscal year 1973, the Federal Government employed about 2.8 million civilian personnel at a cost of $38 billion. The workweek for most of these employees is a predetermined 5-day, 8 hrs/day, 40-hour week schedule which has not changed since the early 1950s. (See p. 1.)

Since the late 1960s many companies, local governments, and other organizations have reported a redesigning of the workweek using either flexible or compressed work schedules resulting in benefits to both employers and employees. About 3,000 firms in the United States employing over 1 million workers have instituted compressed work schedules. (See pp. 3 and 6.)

Title 5 of the United States Code sets rigid work hours and overtime pay requirements for Federal employees, which impede experimentation with altered work schedules. To a lesser degree, the Fair Labor Standards Act, as amended, restricts experimentation with certain kinds of flexible work schedules. (See pp. 1 and 12.)

GAO made this review to determine the major advantages and disadvantages and potential application of altered work schedules in the Federal work force.

FINDINGS AND CONCLUSIONS

Contacts with 33 private and non-Federal public organizations showed that many employers and employees benefited from using altered work schedules, although few had developed precise quantitative data showing the effects. Some of the reported advantages were

--increased morale,
--improved attendance,
--reduced overtime expense, and
--increased productivity.
(See pp. 8 and 9.)

The disadvantage most frequently mentioned by several managers was the involved scheduling required to coordinate deliveries, meetings, and other events with revised work hours. (See p. 9.)

GAO also contacted five Federal organizations which had experimented with altered schedules. (See p. 12.)

Each organization reported favorable experiences with the schedule changes; however, two experiments were not continued because of title 5 requirements. Also, the other three experiments involved only simplistic "floating day schedules."

Various forms of altered schedules could be applied to selected organizations with resulting benefits to the Government, the employee, and the

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public. But there is a need for basic data which will identify those work schedules which will contribute most to efficient agency operations.

However, title 5 prohibits or impedes virtually all forms of altered schedules.

The Fair Labor Standards Act, as amended, prohibits some forms of flexible schedules, specifically those which allow the debit and credit of hours from 1 week to another above 40 hours per week.

RECOMMENDATIONS

As a means of determining altered schedules' applicability to Federal employees, GAO recommends that the Chairman, Civil Service Commission:

--Seek legislation to amend title 5 and the Fair Labor Standards Act, as amended, to permit testing of flexible and compressed work schedules.

--Help implement and closely monitor tests of altered schedules to obtain data on the results.

--Maintain data which will identify those work schedules which most contribute to efficient agency operations.

--At the conclusion of the test period, determine whether altered work schedules have wider or more general application and seek appropriate legislative action as necessary.

AGENCY ACTIONS AND UNRESOLVED ISSUES

In commenting on the draft report, the Chairman, Civil Service Commission stated that the report accurately states the considerable limitations which current laws place upon the Federal Government's ability to implement new rearranged workweek concepts, even on an experimental basis.

The Commission concurred with the GAO recommendations and plans to seek the necessary legislation to amend certain provisions of title 5 of the U.S. Code and the Fair Labor Standards Act to permit controlled experimentation with both compressed and flexible work schedules.

MATTERS FOR CONSIDERATION BY THE CONGRESS

The Congress should favorably consider legislative proposals that accommodate the information and recommendations in this report.

CHAPTER 1

INTRODUCTION

Since the late 1960s many companies, local governments, and other organizations have reported using flexible and compressed work schedules with resulting benefits to employers and employees.

In June 1975, the Federal Government employed 2.8 million civilians at a cost of $38 billion. Most Federal employees' working hours are prescribed by title 5 of the United States Code, administered by the Civil Service Commission (CSC). On May 1, 1974, coverage by the Fair Labor Standards Act (FLSA) of 1938 (52 Stat. 1060) was extended to Federal employees. Now FLSA, as amended, as well as title 5 of the code prescribe overtime payments.

Title 5 sets rigid requirements for overtime pay after an 8-hour day and 40-hour week which impede experimentation with flexible and compressed work schedules in the Government. Although for Federal employees FLSA, as amended, allows daily flexibility within the same workweek, it restricts the degree of experimentation possible because of the requirement to pay premium overtime after 40 hours of work a week.

SCOPE OF REVIEW

We examined the subject of work schedules to gather information on the advantages and disadvantages of variations in work hours and altered schedules' possible application to Federal employees.

As part of our study, we discussed altered work schedules and related matters with various officials, including CSC, Office of Management and Budget, Bureau of Labor Statistics, affiliates of the American Federation of Labor and Congress of Industrial Organizations, and National Federation of Federal Employees. In addition to contacting the 5 Federal organizations experimenting with altered work schedules as discussed in the report, we contacted 33 other organizations:

--17 private companies that had experience with 4-day workweeks,

--10 private companies using flexible work schedules,

--5 State and city governments with experience with 4-day workweeks, and

--1 city government using flexible work schedules.

CHAPTER 2

THE WORKWEEK HAS CHANGED WITH TIME

The basic workweek for Federal civilian employees is 5, 8-hour days--usually Monday through Friday. This schedule reflects a change from the 84- to 96-hour weeks in the 1700s and the 60- to 72-hour weeks in the 1800s. Additionally the U.S. Bureau of Labor Statistics reported that, between the years 1900 and 1970, the average workweek for American workers decreased from 53 hours to less than 40 hours. This reduction was accompanied by changes in work schedules, such as later starting times, earlier departures, and Saturdays off. The 5-day, 40-hour week for many employees has been established in the United States since the early 1950s.

MANY ORGANIZATIONS REARRANGED WORK HOURS

Since the late 1960s many organizations have changed the basic workweek. These changes can be categorized as (1) compressed and (2) flexible. Like the basic 5-day, 40-hour workweek, compressed schedules are fixed, whereas flexible schedules are not.

Compressed schedules

The most common variation of the 5-day, 40 hour week is the 4-day, 40-hour week schedule (4/40). For example, the week may be Monday through Thursday or Tuesday through Friday, 10 hours a day, giving employees a 3-day weekend. These schedules reportedly result in additional productive hours, reducing startup and shutdown time for both employees and equipment by 20 percent. Where equipment requires maintenance, it is frequently possible to complete it entirely outside of productive hours.

Some organizations have reduced the number of hours in the workweek as well as the number of workdays. A recent survey of the private sector conducted by CSC indicates that, while a majority of firms still work a 40-hour week, a growing number work less than that. Of about 150 companies participating in the survey,

--68.9 percent used a 40-hour workweek,

--24 percent had workweeks ranging from 36 to 39 hours, and

--7.3 percent used a 35-hour workweek.

As organizations have reduced the workweek, several types of compressed schedules have emerged, including the following:

--3/36--12 hours a day for 3 days.

--4/36--9 hours, 4 days.

--4/38--9-1/2 hours, 4 days.

--4-1/2/36--8 hours a day, Monday through Thursday, 1/2 day Friday.

Flexible schedules

There are numerous variations of flexible schedules (sometimes called flexitime). Flexitime basically replaces fixed times of arrival and departure with two different types of time: core time and flexible time. Core time is the hours of the work schedule during which all employees must be present. Flexible time is all the time designated as part of the schedule of work hours within which the employee may choose his time of arrival and departure from the office. Management may control the degree of flexibility by setting limits on such things as the:

--Range of starting times--employees may start work at 15-minute intervals during a period of several hours; for example, any time between 7 a.m. and 9:30 a.m.

--Presence or absence of a core period(s)--the hours all employees are required to be present; for example, 9:30 a.m. to 2:30 p.m. The core period is usually the busiest portion of the day.

--Lunch period--the times employees may take lunch or work through their lunch periods and leave earlier.

--Departure time--when employees may leave. Where core periods are involved, the departure time generally starts at the end of the core period and extends to the latest time employees may work; for example, 2:30 p.m. to 5:30 p.m.

--Work hours--whether employees may work fewer or more than 8 hours a day. Some organizations allow employees to work 6 hours 1 day and 10 another, as long as they work 40 hours a week.

--Workweeks--whether employees may work fewer or more than 40 hours a week. Some organizations permit employees to work 30 hours 1 week, as long as they work 50 the next week, by allowing them to maintain debit and credit balances in the hours worked.

Variations of flexitime range from staggered-hour schedules, where employees are committed to follow the work schedule they select, to complete flexibility, where employees are committed only to work the required number of hours within a specified period. The specified period may be a week, a pay period, a month, or some longer time frame.

CHAPTER 3

ALTERED WORK SCHEDULES IN INDUSTRY AND NON-FEDERAL GOVERNMENT

There are no reliable statistics on the number of organizations that have implemented or discontinued altered work schedules. However, the 4/40 workweek has been implemented in an estimated 3,000 firms employing more than a million workers. The failure rate of 4/40 has been estimated to be between 5 and 15 percent.

The concept of flexible schedules is relatively new in the United States but has proven very popular in European countries. The German Industrial Institute predicts that by 1975, 50 percent of the 12 million German white-collar workers will be on flexible schedules. Additionally, the British Government has authorized flexitime for 500,000 civil servants.

Our survey indicated that, in many work situations, altered work schedules are advantageous to management and employees. Although the organizations we contacted generally found altered schedules beneficial to their operation, many could not quantify advantages and disadvantages. The following sections discuss altered work schedules that have been tried in industry and non-Federal governments.

WHERE TRIED

An increasing number of organizations are implementing altered schedules. Such organizations have primarily been small companies or individual sections or departments of large companies. The types of industries implementing altered schedules include publishing, advertising, insurance, manufacturing, service and retail companies, and hospitals and cover both white- and blue-collar workers. An estimated 93 municipal government units have also implemented altered schedules in functions, such as police, parks, and recreation departments and in various administrative and clerical activities. We did not discern any pattern of success or failure with altered schedules by organization or type of industry.

OBJECTIVES SOUGHT

To determine their major objectives for changing the work schedule, we contacted 33 private and non-Federal public organizations which implemented or tried to implement altered schedules. These organizations represented a cross-section of various industries and local governments that had been operating on altered schedules from 1 month to 8 years, and involved from 4 to over 16,000 employees.

The primary reasons for adopting altered schedules varied, depending on circumstances peculiar to the organization and the type of schedule implemented. But almost all organizations had similar underlying objectives. The organizations we contacted tried altered schedules for the following reasons:

--Increase productivity.

--Reduce overtime costs.

--Increase efficiency.

--Reduce tardiness.

--Reduce employee turnover.

--Better utilize equipment.

--Reduce absenteeism.

--Reduce short-term leave usage.

--Permit overlapping shifts during the busiest hours of the day (police departments).

--Increase flexibility for forming carpools.

--Reduce traffic congestion in downtown areas.

--Increase employee morale.

--Provide an additional employee benefit.

Flexitime gives the employee a greater sense of personal freedom and responsibility in getting his particular job done.

Many organizations' primary objective for implementing the 4/40 or flexitime was to provide additional benefits to employees. Under 4/40 the employee has a longer weekend and a 20-percent reduction in weekly costs associated with the workday (meals, child care, transportation, etc.). Also, employees can use the extra day off to take care of personal business which cannot be done on weekends, and avoid taking time off during the workweek. Similarly, under some forms of flexitime the employee may choose his starting and quitting times to suit his needs.

RESULTS ACHIEVED

The organizations we contacted noted the advantages and disadvantages of altered work schedules.

Advantages

Compressed workweeks and flexible schedules

1. Increased productivity. Although difficult to accurately measure, most organizations believed productivity increased or maintained its existing level.

2. Reduced overtime expense.

3. Recruiting asset. Employees view altered schedules as an employee benefit.

4. Reduced commuting costs. The employee commutes fewer days or avoids rush hour traffic, making travel time more efficient.

Compressed workweeks

1. Reduced startup and shutdown costs. In cases where equipment must be warmed up, adjusted, shut down in advance for cleaning and maintenance, etc., on a daily basis, the compressed schedule reduces the amount of time lost to production by 20 percent on a 4-day schedule and by 40 percent on a 3-day schedule.

Similarly, any situation where employees follow a daily startup and shutdown routine, not involving equipment, should result in similar gains in production time.

2. Maintenance time. The off day can be used for making repairs and performing regular maintenance where equipment might otherwise have to be shut down during regular working hours.

Flexible schedules

1. Reduced tardiness and absenteeism. Tardiness is virtually eliminated and the employee is less likely to call in sick when he has to take care of personal business. Sick-leave usage is reduced as an employee may opt for a late start in the day rather than call in sick for the entire day.

2. Increased employee morale. The employee tends to be more task oriented and less time oriented.

Disadvantages

Compressed schedules

1. More involved scheduling. For example, scheduling supervisors for Monday through Friday coverage when the organization continues on a 5-day operation even though employees may be working less than 5 days per week.

2. Employee dislike usually because of family-related problems or problems with coordinating child care with work hours.

3. Lost time. Each day's absence will represent a number of hours greater than the basic 8-hour workday.

Flexible schedules

1. Time-keeping functions more difficult to insure that employees work their full hours each workday and not cheat on the system.

2. Adequate supeivisory coverage more diffcult to provide during the entire workday.

Although organizations were generally unable to quantify the full impact of altered schedules in each of the above areas, 27 organizations reported on productivity as follows.

Change in productivity	Number of companies
Increase	15 (4 reported increases from 2% to 66%)
No change	10
Decrease	2

Twenty-five organizations reported the following effects on employee absenteeism.

Change	Number of companies
Reduction in short-term absence	15 (4 reported reductions from 12% to 85%)
No measurable change	8
Increase in absences	2

We did not verify the accuracy of the above information. In most instances the reports were based on management's opinions. In cases where actual measurements were taken, most were based on relatively short tests and involved a small number of employees.

Managers generally do not analyze schedule changes the way they would a major equipment acquisition. Changes in work schedules require little or no capital expenditures. If the change does not succeed, the organization can quickly return to the old schedule. Below are some of the reasons given for the lack of more quantitative data on changes in productivity:

1. The firm was so small the manager could intuitively tell if the work was done.

2. The firm did not consider productivity as the criteria for trying altered schedules; as long as it did not decrease, productivity was not a concern.

3. The firm did not measure productivity because there was no basis for comparison.

4. The firm implemented other changes, such as new equipment and new procedures, at the time it adopted altered schedules; therefore it was unable to attribute changes to any one variable.

5. The firm could not measure workers' productivity because of the types of work.

6. The firm implemented an altered schedule several years ago, and the knowledgeable managers and/or data are no longer available.

ATTITUDES AND SOCIAL ASPECTS OF ALTERED SCHEDULES

All of the organizations we contacted initiated and continued altered schedules only if the majority of the employees agreed. Employee reaction to altered schedules was very favorable. However, we did not attempt to evaluate altered schedules' effect on employees' social lives or on certain national issues, such as energy consumption or air pollution. Although gaining in popularity, only a small percent of the total work force uses altered schedules. A much larger percent would have to convert to altered schedules or more controlled testing would have to be done before the impact on national issues could be assessed.

CHAPTER 4

ALTERED WORK SCHEDULES IN THE FEDERAL GOVERNMENT

Current law limits the flexibility of Federal managers to test new work schedules. We contacted two Federal organizations that had tried 4/40 and three others that had tried flexitime. The two 4/40 experiments were discontinued because of the requirements in chapter 55 of title 5 relating to overtime pay for work exceeding 8 hours a day. According to CSC officials, three flexitime experiments currently underway have not been found to be inconsistent with existing law by its General Counsel. They point out that the applicable laws are subject to interpretation and that the flexibility within these experiments is extremely limited.

THE LAW LIMITS WORK SCHEDULE FLEXIBILITY

FLSA as amended, primarily regulates Federal civilian employees' wages, while title 5 regulates both their wages and hours of work. CSC has stated that, where the two laws conflict the law giving the employee the greatest benefit prevails.

FLSA requires that nonexempt employees be paid overtime for work exceeding 40 hours a week. It may also render compensatory time inappropriate for nonexempt employees. These requirements do not allow employees to maintain credit and debit balances in their work-hour accounts. For example, given a 2-week work period, an employee in nonovertime status could not work more than 40 hours the first week and expect to work fewer than 40 the next week.

Chapter 61 of title 5 is more specific. It requires that, unless an organization would be seriously handicapped in carrying out its functions or the costs would be substantially increased, the work schedule shall provide that:

> "(A) assignments to tours of duty are scheduled in advance over periods of not less than 1 week;
>
> "(B) the basic 40-hour work week is scheduled on 5 days, Monday through Friday when possible, * * *;

"(C) the working hours in each day in the basic work week are the same;

"(D) the basic nonovertime work day may not exceed 8 hours. * * *"

Also, compensatory time is allowable only at the employee's request for occasional or irregular overtime unless his rate of basic pay is more than the maximum rate for GS-10.

The provisions of title 5 appear to preclude

--4/40 schedules because employees may not work over 8 hours in any 1 day without receiving overtime pay,

--flexitime schedules which allow employees to work varying times and/or numbers of hours each day, and

--4/40 schedules which use compensatory time for overtime worked on a recurring and regular basis.

FEDERAL EXPERIMENTS--4/40 SCHEDULES

One unit we contacted tested a 4/40 schedule from January 1973 to March 1974. Eighty-two military personnel participated during the entire test period, and 18 civilian employees were included for the last 3 months, during which the workweek was Monday through Thursday, 10 hours each day. As of May 1974, some military employees have continued on the 4/40 schedule.

The unit implemented the 4/40 schedule without incurring additional personnel costs. The employees agreed to work 2 extra hours each day, Monday through Thursday, and use 8 hours compensatory time for Friday off.

The commander of the unit stated:

> "The 4-day work week optimized the efficiency and personal desires of the military and civilian work groups and was a significant factor in our highly successful energy conservation program."

He estimated a 14.6 percent energy reduction by closing 11 of 14 buildings an extra day a week.

Because compensatory time was used for regular and recurring overtime, CSC advised departmental officials that the test was illegal. The departmental officials instructed the unit to terminate the test for its civilian employees.

Another organization instituted a compressed workweek as part of a study to improve base operations. It tested the 4/40 schedule in the latter part of 1972. The test involved 62 civilian and military personnel in 5 departments and lasted 1 to 2 months in each department.

Each of the employees in the test agreed to work the 4/40 schedule. They received overtime pay for the 2 extra hours work each day--in effect, 44 hours pay for 40 hours work. The base commander reported employees' overall acceptance of the schedule and increases in the two departments' productivity. The increased productivity appeared to result from logistical savings, such as 1 less day of cleanup at the meat processing plant.

The reported employee reactions were that the advantages of the longer weekend outweighed any disadvantages of the longer workday and that "most of the people would enthusiastically return to the shorter workweek if possible." The commander said the main problem was the requirement of overtime pay for civil service workers.

FEDERAL EXPERIMENTS--FLEXIBLE SCHEDULES

One organization we contacted started a test of flexitime on April 1, 1974. The test involves about 350 employees who perform very repetitive work, such as reviewing microfilm to verify transcription of data to punch cards.

Officials of the organization stated that the flexible schedule was being tried to improve employee attendance and morale. In the past, absenteeism, leave use, and tardiness have been major problems. Employee morale has been a resulting problem because supervisors had to regularly reprimand workers for tardiness or poor attendance. Employees seem to be enthusiastic about the new schedule.

Under the flexitime schedule, which was implemented with the support of the local union, all employees must be present during the core period from 9:30 a.m. to 3 p.m.

Employees may begin work any time between 6:30 a.m. and 9:30 a.m. and end between 3 p.m. and 6 p.m.

The organization has a workload in the sections experimenting with flexitime which requires overtime on an irregular basis frequently determined from day to day. Before May 1, 1974, employees were frequently requesting compensatory time off. As a result, some employees accumulated compensatory time during the week and used it to take Friday off. Other employees worked more or less than 8 hours per day using compensatory time in a similar manner. Officials believed that, since the use of compensatory time was not for regular and recurring overtime, it did not violate title 5.

When FLSA coverage was extended to Federal employees on May 1, 1974, there was a question as to whether or not compensatory time would still be appropriate for nonexempt employees. The headquarters decided to suspend the granting of any compensatory time until the question was resolved. As of August 1974, CSC was still studying the matter.

The organization plans to evaluate leave use, changes in productivity, quality of work, and employee attitude by October 1974. The major problem encountered to date has been keeping track of the hours each employee works. Unlike the two flexitime tests discussed below, employees participating in this experiment are not permitted to record their own time. Mechanical time recorders are used and are activated by a key bearing the employee's name and picture. The key also serves as a building pass.

Another organization we contacted initiated a flexitime schedule in November 1972. Originally, 36 employees were included. By May 1974, all but 20 of the 240 employees were on flexitime. The schedule was implemented and is continuing with the support of the employees.

The office is open from 6 a.m. to 6 p.m., and employees may start work as late as 10 a.m. The only restriction is that they must work 8 hours each day, excluding lunchtime which an employee may waive. An official of the organization stated that the schedule has alleviated the problems of tardiness and leave use. Also, employee morale has increased.

Employees are responsible for keeping their own time. An employee group oversees the program to insure that all employees work the required 8 hours. An official of the organization advised us that the managers, workers, and the local union are pleased with the schedule. He cited employee morale and an attendant increase in productivity as the primary benefits.

A third flexitime experiment involved approximately 400 employees in the comptroller's division of the organization. The test started on April 1, 1974, with the support of the local union. Employees in the division may work 8 consecutive hours, excluding lunch, any time between 6 a.m. and 6 p.m. Employees account for their own time by initialling a time card. The test was initiated after a manager of the organization observed increased morale at a private company using flexitime. The organization plans to measure changes in productivity at the end of the test.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

In many work situations, altered work schedules are advantageous to management and employees. Although many of the organizations contacted found that using altered work schedules benefited their operations, most had not developed precise quantitative data on advantages and disadvantages. There is a need for basic data which will identify those work schedules which will contribute most to efficient agency operations.

Work schedules in the Government should be established on the basis of the needs and objectives of the work to be performed rather than on a predetermined and inflexible workday. Many of the non-Federal organizations which successfully implemented altered schedules--hospitals, computer facilities, and other service groups--have characteristics similar to units in the Federal Government. Those Federal activities which have peacemeal experimentation with altered schedules have also reported benefits. In our opinion, altered schedules can be applied to selected Federal activities with resulting benefits to the Government, its employees, and the public.

There have been no comprehensive tests of altered work schedules in the Federal Government. Current law limits the flexibility of Federal managers and employees to test new work schedules.

RECOMMENDATIONS

As a means of determining altered schedules' applicability to Federal employees, GAO recommends that the Chairman, CSC:

--Seek legislation to amend title 5 and FLSA, as amended, to permit testing of flexible and compressed work schedules.

--Help implement and closely monitor tests of altered schedules to obtain data on the results.

--Maintain data which will identify those work schedules which contribute most to efficient agency operations.

--At the conclusion of the test period, determine whether altered work schedules have wider or more general application and seek necessary legislative action.

UNITED STATES CIVIL SERVICE COMMISSION
WASHINGTON, D.C. 20415

IN REPLY PLEASE REFER TO

YOUR REFERENCE

23 SEP 1974

Mr. Forrest R. Browne
Director, Federal Personnel and
  Compensation Division
General Accounting Office
Washington, D. C. 20548

Dear Mr. Browne:

This is in response to your recent request for Commission comments concerning GAO's draft report on "Legal Limitations on Flexible and Compressed Work Schedules for Federal Employees."

This report accurately states the considerable limitations which current laws place upon the Federal government's ability to implement new rearranged workweek concepts, even on an experimental basis.

Several years ago, the Commission undertook a study to assess the desirability of submitting a legislative proposal dealing primarily with the four-day, forty-hour workweek. However, after discussions with agencies and unions, it was decided not to take further action at that time.

Since then, the concept of rearranged workweeks has been extended to include flexible work schedules, and this approach has spread through several European countries with considerable rapidity. In certain instances the country involved did not have restrictive laws of the type which exist in the United States. In other cases, it is our understanding that laws were changed to permit the new concepts to be adopted.

Information obtained from Europe as well as the limited experiences within the Federal sector, as GAO has reported, indicates the reported advantages realized by both employees and employers should no longer be ignored. Reported gains in productivity, reductions in short term absences and relief of traffic congestion are all compelling reasons to seriously investigate what applicability these new concepts might have for government agencies. Therefore, the Commission concurs with the GAO recommendations and will seek the necessary legislation to amend certain provisions of title 5 of the U. S. Code and the Fair Labor Standards Act to permit controlled experimentation with both compressed and flexible work schedules.

Sincerely yours,

Robert Hampton

Robert E. Hampton
Chairman

PRINCIPAL CSC OFFICIALS RESPONSIBLE FOR ADMINISTERING ACTIVITIES DISCUSSED IN THIS REPORT

	Tenure of Office	
	From	To
COMMISSIONERS:		
Robert E. Hampton, Chairman	Jan. 1969	Present
L. J. Andolsek	Apr. 1963	Present
Jayne B. Spain, Vice Chairman	June 1971	Present
EXECUTIVE DIRECTOR:		
Bernard Rosen	June 1971	Present
DIRECTOR, BUREAU OF POLICIES AND STANDARDS:		
Raymond Jacobson	Jan. 1969	Present

REPORT TO THE CONGRESS

BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

Contractors' Use Of Altered Work Schedules For Their Employees--How Is It Working?

Department of Labor

Using altered work schedules can benefit employees and employers. Revisions to several Federal laws are needed if employees of Government contractors are to be permitted to use certain altered work schedules.

PSAD-76-124 APRIL 7,1976

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-151261

To the President of the Senate and the
Speaker of the House of Representatives

This is our second report on flexible and compressed work schedules. It discusses reasons they are used, experiences of organizations that have used them, and some of the Federal laws which limit their use by Government contractors. Our first report discussed the possible application of flexible and compressed work schedules to Federal employees.

We made our survey pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

We are sending copies of this report to the Secretary of Labor and to the heads of other departments and agencies having an interest in the use of altered work schedules by Government contractors.

Elmer B. Staats
Comptroller General
of the United States

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ABBREVIATIONS

AFL-CIO	American Federation of Labor and Congress of Industrial Organizations
GAO	General Accounting Office
ILGWU	International Ladies' Garment Workers' Union
UAW	United Auto Workers

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

CONTRACTORS' USE OF ALTERED
WORK SCHEDULES FOR THEIR
EMPLOYEES--HOW IS IT
WORKING?
Department of Labor

DIGEST

In recent years there has been considerable interest in the use of altered work schedules, such as flexible and 4-day work schedules.

Under some altered schedules the 40-hour workweek of five 8-hour workdays is compressed into four 10-hour workdays or three 12-hour workdays. Other altered schedules give employees flexibility in choosing their hours of work.

GAO surveyed 20 organizations' use of altered work schedules and discussed the potential for their use with 44 Government contractors and 4 employee labor unions. GAO also reviewed recent studies and literature on the subject.

Altered work schedules can

--improve employee morale and attendance,

--reduce overtime expenses,

--increase employee productivity,

--increase the use of capital assets,

--reduce energy consumption,

--enable better service to the public,

--permit better use of transportation and recreation facilities, and

--open job opportunities for additional persons.

For others, however, altered work schedules can be detrimental in that

--employee fatigue can result,

--work scheduling can become more difficult,

Tear Sheet. Upon removal, the report cover date should be noted hereon.

--overtime costs can increase, and

--productivity can decrease.

GAO found the use of altered work schedules to be more difficult for Government contractors than for other employers, because the Contract Work Hours and Safety Standards Act and the Walsh-Healey Act require payment of overtime premiums whenever employees work more than 8 hours a day.

The Fair Labor Standards Act requirement to pay overtime premiums whenever employees work over 40 hours a week limits work-hour schedule flexibility for employees of Government contractors and other employers. (See p. 22.)

Some organizations believed the current legal requirements should be revised to permit greater use of altered work schedules. One organization believed that current Federal requirements made it economically more difficult for organizations using altered work schedules to do business with the Government. (See p. 10.)

Employee labor unions generally have opposed permitting or requiring employees to work over 8 hours a day without payment of overtime premiums of at least 1-1/2 times the employees' basic hourly salaries. However, a few union contracts have provided for using or testing altered work schedules. (See pp. 14 to 16.)

Revisions to Federal laws are needed if employees of Government contractors are to be permitted to use certain altered work schedules. Nevertheless, the need remains to protect employees when long hours of work could be detrimental to their well-being.

GAO concluded that strict adherence to fixed 5-day schedules was not always to the advantage of employees and employers. Although not all organizations benefit from or can use altered work schedules, employees and employers have benefited.

RECOMMENDATIONS TO THE CONGRESS

GAO recommends that, when considering proposed legislation to amend the Contract Work Hours and Safety Standards Act and the Walsh-Healey Act, the Congress include provisions to:

--Require Government contractors using compressed schedules for their employees to pay overtime premiums when a 4-day schedule is used and the number of hours worked exceeds 10 a day or when a 3-day schedule is used and the number of hours worked exceeds 12 a day, except as discussed below with respect to banking and borrowing time under flexible schedules.

--Permit Government contractors to use flexible work schedules, allowing employees to bank and borrow time by working more or less than 8 hours a day at the employees' convenience without the contractors' being required to pay overtime premiums for the hours worked in excess of 8 a day or 40 hours a week. To maintain the integrity of the 40-hour workweek provided for in these acts, a provision should be included requiring that the number of hours worked without payment of overtime premiums not average more than 40 hours a week over a specified period, possibly a month or several months. This would also require exempting the Government contractors involved from the 40-hour workweek requirement of the Fair Labor Standards Act or changing that act to allow employees to bank or borrow time.

The above recommendations concern the overtime payment requirements that apply to Government contractors. Although their adoption would give Government contractors additional opportunities to use altered work schedules, separate overtime payment requirements for Government contractors still exist.

GAO believes more uniformity in Federal overtime requirements may be desirable so that employees are not under one policy when they work on Government contracts and another policy for their other work. Uniformity would eliminate differences in pay between persons working on Government contracts and persons doing the same work who are not working on Government contracts.

Therefore GAO also recommends that the Congress consider, as a long-range objective, establishing more uniform Federal policies on overtime requirements in view of the advantages of altered work schedules cited in this report.

The Department of Defense and the General Services Administration support GAO's recommendations concerning legislative changes. The Department of Labor could not comment formally within the time specified (7 days). (See p. 24.)

CHAPTER 1

INTRODUCTION

In 1967 a German aerospace company tried a flexible work schedule for employee arrival and departure times, to relieve late arrival of company employees due to heavy traffic congestion on highways near the plant. The company found that employees' lateness and use of sick leave were reduced and that employees' morale and productivity were improved.

Since 1967 the acceptance of flexible work schedules has grown in Europe and elsewhere. Their use has spread from Germany to Austria, Switzerland, Scandinavia, France, Benelux, Italy, Spain, the United Kingdom, Japan, Canada, and the United States.

Some employers use compressed work schedules under which 5-day workweeks of 35 to 40 hours have been compressed into workweeks of less than 5 full workdays.

We surveyed the use of these altered work schedules to inquire into their potential for use by Government contractors. We wanted to know (1) what altered work schedules were, (2) the reasons for using them, (3) the experiences of organizations that had used them, and (4) the position of contractors, employee unions, and others on their use and on existing Federal legislation affecting their use.

TYPES OF ALTERED WORK SCHEDULES

From the late 1700's to today, employee working hours have been reduced from a 6-day workweek of 72 hours to a 5-day workweek generally of 35 to 40 hours. The reduction in work hours has resulted from mechanization, the industrial and technological revolutions, the labor movement, and legislation. The 5-day, 40-hour workweek, with established starting and stopping times, is the most common workweek for employees in the United States.

During the past decade considerable interest has arisen in the use of compressed schedules and flexible schedules. Although other types of work schedules exist, these two are the subject of this report.

Compressed work schedules

The most common compressed variation of the 5-day, 40-hour workweek is the 4-day, 40-hour weekweek. For example, the workweek may be Monday through Thursday or Tuesday through

Friday, 10 hours a day, which gives employees a 3-day weekend. These schedules result in additional productive time by reducing startup and shutdown time for both employees and equipment by 20 percent. And it is frequently possible to do plant maintenance entirely outside the productive hours.

Some organizations have reduced the number of hours in the workweek as well as the number of workdays. As organizations have reduced their workweeks, several other types of compressed schedules have emerged, including:

--a 36-hour workweek of three 12-hour days,

--a 36-hour workweek of four 9-hour days,

--a 36-hour workweek of 8 hours a day, Monday through Thursday, and a half a day on Friday, and

--a 38-hour workweek of four 9-1/2-hour days.

Flexible work schedules

There are numerous variations of flexible schedules (sometimes called flexitime) in use. Flexitime basically replaces fixed times of arrival and departure with two different types of time: core time and flexible time. Core time is the time during which all employees must be present. Flexible time is the time within which employees may choose their time of arrival and departure.

An example of a flexible work schedule follows.

Arrival time		Lunchtime		Departure time	
6:00 a.m.	9:00 a.m.	11:30 a.m.	1:30 p.m.	2:30 p.m.	8:00 p.m.
	Core time		Core time		

As the above example shows, employees may arrive for work anytime between 6 a.m. and 9 a.m. All employees are required to be on duty between 9 a.m. and 11:30 a.m. and between 1:30 p.m. and 2:30 p.m. Employees could choose up to a 2-hour lunch period between 11:30 a.m. and 1:30 p.m. Employees may depart anytime between 2:30 p.m. and 8 p.m. The facility would be open between 6 a.m. and 8 p.m.

The flexibility of the schedule could be increased to permit employees the option of banking and borrowing time, that is, to work more or less time a full day, so long as they worked a prescribed number of hours within an established period. For example, an employee required to work 40 hours a week could arrange the number of hours worked as follows: Monday, 8 hours; Tuesday, 8-1/2 hours; Wednesday, 9 hours; Thursday, 8-1/2 hours; and Friday, 6 hours.

Variations of flexitime range from staggered-hours schedules, where employees are required to follow the work schedule they select, to complete flexibility, where employees are required to work a specified number of hours during an established period. The established period may vary, but a week, pay period, or month are common periods.

EFFECTS OF ALTERED WORK SCHEDULES ON EMPLOYEES, EMPLOYERS, AND SOCIETY

Studies of altered work schedules have reported the following effects.

On employees

--Expansion of individual responsibility.

--The possibility of adjusting worktimes to individual biological rhythm and personal needs.

--Reductions in stress and time when commuting between home and work.

--Improved chances for further education.

--Greater right of choice between worktime and free time.

--Reduction in the number of employees failing to take vacation time.

--Permits satisfaction of individual desires.

--Difficulty in determining compensation for overtime.

On employers

--Reduced absenteeism, overtime, and employee turnover.

--Increased productivity and morale.

--Eases employee recruitment.

--Permits adaptation to changes in labor productivity.

--Permits greater communication with customers and between plants.

--Permits longer operating day with increased use of capital assets.

--Can cause communication difficulties particularly if core hours are short.

--Can cause jealousy among employees not on liberal schedule arrangements.

--May cause work scheduling problems with team work.

--May result in increased administrative costs for recording employee worktimes.

On society

--Increases job opportunities for some persons.

--Permits less rush-hour traffic congestion, reducing energy consumption.

--Permits better use of recreational facilities.

--Improves employee status within society.

--Permits growth in the gross national product.

LEGISLATIVE REQUIREMENTS

The 5-day, 40-hour workweek resulted from legislative response to demands for work sharing as a cure for the unemployment of the 1930's. Various laws were enacted providing for overtime premiums, to encourage employers to hire more employees when they had a need for labor in excess of 40 hours a week.

Since the 1930's, employer and employee needs and desires have changed, and certain laws may now be acting as a deterrent to employees and employers for whom the standard work-hour schedules are no longer satisfactory. Federal statutes, such as the Contract Work Hours and Safety Standards Act (40 U.S.C. 328), the Fair Labor Standards Act (29 U.S.C. 201), and the Walsh-Healey Act (41 U.S.C. 35), govern the work-hour schedules used by employees of Government contractors.

The Walsh-Healey and the Contract Work Hours and Safety Standards Acts require Government contractors to pay employees a minimum of 1-1/2 times the basic hourly rates for time worked in excess of 8 hours a day or 40 hours a week. The Walsh-Healey Act applies to employers who have contracts with the Government exceeding $10,000 to manufacture or furnish materials, supplies, articles, and equipment to the Government. The Contract Work Hours and Safety Standards Act applies to the contractors who employ mechanics and laborers in constructing public works.

The Fair Labor Standards Act requires employers engaged in interstate commerce or the production of goods for interstate commerce to pay employees who work in excess of 40 hours a week a minimum of 1-1/2 times the basic hourly rates. The act applies to employers who are Government contractors as well as those who are not.

SCOPE OF SURVEY

During our survey we spoke with officials of 20 organizations which had used some form of altered work schedules. (See app. I.) Of these organizations, 18 were private companies, 1 was a regional planning commission, and 1 was a county library system.

We also spoke with 44 Government contractors selected from a list of contractors with individual procurements of over $1 million. (See app. II.) The contractors had operations in Pennsylvania, New Jersey, Delaware, and Maryland. We discussed the use of altered work schedules with union officials and with other knowledgeable individuals.

In addition, we studied various newspaper and magazine articles, research papers, and books on altered work schedules. (See app. III.)

CHAPTER 2

EXPERIENCES OF 20 ORGANIZATIONS THAT HAVE USED ALTERED WORK SCHEDULES

We spoke with officials of 20 organizations that had used altered work schedules, to determine why they had used the schedules and the results of their use. Three of the organizations had used more than one altered work schedule. A total of 25 altered work schedules had been used by the 20 organizations. For example, one organization used a flexible schedule, a 3-day compressed schedule, and a 4-day compressed schedule at its central office. Seven of the organizations had contracts with the Government.

The status of the 25 altered work schedules used by the organizations follows.

Schedule type	Number active	Number discontinued
Flexible	9	1
3-day compressed	4	1
4-day compressed	5	5
Total	18	7

Management officials of the 20 organizations told us they had established altered work schedules for the following reasons, and 17 organizations realized the advantages shown in the table on the following page.

As shown in the table on page 7, flexible work schedules resulted in benefits, such as increased productivity and decreased absenteeism, in addition to those contemplated. For example, one manufacturer had used a flexible schedule in its central office to achieve higher employee morale. The manufacturer found that increased productivity and reduced overtime cost also had resulted. Another unforeseen benefit was that much decisionmaking was moved downward to the employees most familiar with individual job requirements.

	Reasons for establishing (note a)		Advantage realized (note a)	
	Flexible schedules	Compressed schedules	Flexible schedules	Compressed schedules
Better capital asset utilization	0	4	0	4
Employee suggestion	3	3	0	0
Better employee morale	2	0	8	6
Reduced absenteeism	1	2	5	3
Ease traffic congestion, easier commuting	2	0	4	1
Ease elevator peak load	1	0	0	0
Increase productivity	1	2	4	4
Better service to west coast	1	1	0	0
Improved customer service	0	0	0	1
Assign administrative decisions to lower level	1	0	1	0
Practice what we preach	1	0	0	0
Innovative company	1	0	0	0
Reduce overtime costs	0	1	3	3
Energy conservation	0	1	0	2
Recruiting advantage	0	1	1	1
Decrease tardiness	0	0	4	1
Increased employment of working mothers	0	0	1	0
Allows more frequent pickup and delivery of mail	0	0	1	0
Free publicity	0	0	0	1
Total	14	15	32	27

a/ Some officials cited more than one reason or advantage.

Organizations that used compressed work schedules also realized unexpected benefits. For example, a manufacturer used a 4-day, 40-hour compressed schedule during 1974 to conserve energy. The manufacturer found energy consumption was down as expected, but he also found that productivity, attendance, and employee morale had improved.

We also inquired into the disadvantages experienced by the organizations. Officials at six organizations told us they had not experienced any disadvantages. However, officials of 14 organizations told us that the following disadvantages occurred from using the altered work schedules.

Disadvantage	Number of citations (note a)	
	Flexible schedules	Compressed schedules
Initial supervisory fear of loss of control	5	0
Employees sometimes not available when needed	2	0
Initial confusion	2	1
Increase in energy consumption	3	1
Employee resentment of mechanical time recorders	2	0
Production scheduling and customer contact problems	1	1
Reduced productivity	0	2
Increased absenteeism and sick leave use	0	1
Lower machine use	0	1
Fatigue	0	4
Company policy to pay overtime costly during business slump	0	1
Walsh-Healy Act requirement to pay overtime	0	1
Commuting tiresome with a longer workday	0	1
Loss of seniority rights for job assignments	0	1
Difficulty in sharing overtime among employees	0	1
Total	15	16

a/ Some officials of the 14 organizations cited more than one disadvantage.

Most of the disadvantages cited from flexible schedules occurred when the schedules were initiated. We were told that supervisors' fear of loss of control and confusion on the schedules soon cleared up. Officials believed that other disadvantages of flexible schedules, such as the increased energy consumption and the production scheduling and customer contact problems, were outweighed by the advantages.

One organization discontinued using its flexible schedule because of the professional employees' resentment of time-recording devices. The six organizations which discontinued using compressed schedules gave the following reasons.

--Employee fatigue.

--Drop in workload.

--Legal requirements to pay overtime for hours worked over 8 hours a day became too costly due to the economic impact of the recession.

--Employee fatigue and reductions in employee productivity.

--Employee fatigue and resentment to job reassignments under the schedules.

--Customer contact problems.

ENERGY IMPACT

Two organizations using compressed schedules cited reduced heat, light, and power consumption as advantages resulting from production facilities' being closed down 3 days a week rather than 2 days a week. These organizations also said that employees' commuting time and related gasoline consumption were reduced by 20 percent as the result of using the compressed schedules.

Three organizations using flexible schedules and one organization using a compressed schedule told us they had experienced slight increases in energy consumption from using the altered schedules. The organizations attributed the increased energy consumption to operating the facilities more hours each day or an additional day a week.

STATUTORY OVERTIME PAYMENT PROVISIONS

We asked each organization its opinion of the current Federal requirements for payment of overtime in conjunction with using altered work schedules. Six organizations said that they would like to see the present requirement changed--three to permit more use of flexible schedules, one to permit more use of compressed schedules, and two to permit the use of both flexible and compressed schedules.

Two of the six organizations believed that, if changes were made, provisions should be included to prevent unscrupulous employers from taking advantage of their employees. One of the six organizations believed that, when employers requested employees to work more than 8 hours a day, overtime premiums should be paid for the excess time and that, when an employee requested to work more than 8 hours to take time off more convenient to personal needs, payment of overtime premiums should not be required.

The remaining 14 organizations did not express any opinions on current legal requirements, and none of these organizations expressed the opinion that legal requirements should remain unchanged.

One organization using a 4-day, 40-hour compressed schedule cited problems with the Walsh-Healey Act requirement to pay overtime for hours worked in excess of 8 hours a day. The organization had a negotiated contract with the Government and had included about $240,000 in overtime and associated costs in the contract price because of the overtime payment requirement.

Because of the Walsh-Healey Act overtime payment requirement, organization employees working on the Government contract were paid for 32 hours a week at their basic hourly rates and for 8 hours a week at 1-1/2 times their basic hourly rates. However, other employees not working on the Government contract were paid for 40 hours at their basic hourly rates. Organization officials told us that the overtime payment requirement had resulted in extra cost to the Government and had caused resentment among the organization's employees because employees doing similar work received different rates of pay.

The organization also believed it had lost an award of a competitive Government contract because its bid had included overtime payment costs its competitors did not have. The organization told us of one bid of $6.98 a unit, which included $0.30 a unit overtime costs, that was too high to receive a contract award. A competitor's successful low bid was $6.84 a unit. The organization believed that, in evaluating the bids, the Government should have given special consideration to the overtime payment requirements in the Walsh-Healey Act. The organization found that, although the 4-day compressed schedule provided advantages for commercial sales, it worked to the organization's disadvantage for Government sales.

BANKING AND BORROWING OF TIME

Three of the nine organizations using flexible schedules permitted employees to vary the number of hours worked each day in accord with their individual needs and desires, provided that legal requirements on the number of permissible hours worked were not exceeded. At each of these organizations, employees normally worked less than 8 hours a day and 40 hours a week.

Six of the organizations using flexible schedules did not permit employees to bank and borrow time. However, four of the organizations permitted employees to vary working hours under certain situations. For example, one organization permitted its employees to work Saturdays to make up for time borrowed, provided that a production team, consisting of a group of employees making up borrowed time, was working that day.

CHAPTER 3

EXPERIENCES OF GOVERNMENT CONTRACTORS

We asked officials of 44 Government contractors whether they had used, or had considered using, altered work schedules for their employees. Three of the contractors said that they were using flexible schedules for some of their administrative employees, and one contractor said it was using a 3-day, 36-hour compressed schedule for headquarters employees in a data processing facility.

The flexible schedules were used to improve employee morale and productivity, satisfy employee requests for the revised schedules, and help in recruiting new employees. The three contractors believed that the schedules had achieved the desired results. The compressed schedule was being used because it permitted rotating work schedules equitably.

None of the contractors were using altered work schedules for their production employees, for the following reasons.

Reason	Number of contractors
Union agreements in effect did not provide for using flexible and compressed schedules	29
Scheduling problems would occur because facilities operated 24 hours a day	17
Overtime payment requirements discouraged using flexible and compressed schedules	15
Contractor had worldwide operations and needed to contact overseas operations at specified times	3

We asked each of the 44 contractors whether it believed the current overtime payment requirements affecting the use of compressed and flexible schedules should be changed. Of the 44 contractors, 2 said they believed no changes should be made to the current requirements, 30 said they did not wish to express opinions, and 12 said they believed the requirements should be changed for the following reasons.

Reason	Number of contractors
Permit increased use of flexible and compressed schedules	8
Permit increased use of compressed schedules	2
Permit increased use of flexible schedules	1
Provide for payment of overtime only when the number of hours worked exceeds 40 hours a week	1
Total	12

CHAPTER 4

LABOR UNIONS

Employee labor unions generally have opposed proposals to permit or require employees to work over 8 hours a day without compensation at overtime rates of 1-1/2 or more times the employees' basic hourly rates. Labor unions had sought adoption of the 8-hour workday for over 100 years. Many of the current legal requirements regarding the length of workdays and workweeks came about as a result of the influence of labor unions upon various legislative bodies.

Some union agreements provide for workdays of less than 8 hours or for workweeks of less than 40 hours. Few union contracts have provided for using or testing compressed schedules or flexible schedules.

During our survey we obtained the views of several employee unions, to determine their opinions on the use of altered work schedules.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

The American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) said it believed that all work in excess of 8 hours a day should require overtime premium pay to employees, regardless of the type of work schedules. The union was opposed to use of compressed schedules which required a workday longer than 8 hours, because it believed these schedules interfered with employees' family and social lives and, in some jobs, would lead to excessive fatigue with possible health and safety problems.

The AFL-CIO was not opposed to altered work schedules which limited employees to workdays of 8 hours or less. However, it believed that altered schedules should provide for overtime premium payments whenever employees worked more than 8 hours a day, regardless of whether the excess time was at the request of an employer or at the option of an employee.

The AFL-CIO told us it had the objective of establishing for its membership a 4-day, 32-hour workweek with no loss of pay. It believed this goal was desirable both as a work-sharing goal and as a means of making life more pleasant for its membership.

INTERNATIONAL LADIES' GARMENT WORKERS' UNION

The International Ladies' Garment Workers' Union (ILGWU) said that it was opposed to the use of 4-day compressed schedules because ILGWU was concerned about the detrimental effects of a long workday on employees. ILGWU members currently work a 5-day, 35-hour workweek, and union officials see no need to further rearrange or shorten the average workweek.

The ILGWU told us that no flexible schedules were provided for in any of its bargaining agreements and that the union had not formally studied the matter, although the tasks done by some garment workers did not require the precise scheduling required in many other industries.

The ILGWU also told us that about 80 percent of its members were women with household responsibilities in addition to their jobs who occasionally made arrangements with supervisors to permit them to handle their domestic needs. Such arrangements are possible because of flexibilities in production scheduling.

TEAMSTERS UNION

We were told that each Teamsters Union local was permitted to establish its own policies on the use of altered work schedules. One local, whose membership consisted of some truckdrivers who worked a 4-day compressed work schedule and others who worked a 5-day schedule, said that compressed schedules had been used by certain oil-haul truckdrivers for over 40 years. We were told that the oil-haul truckdrivers were satisfied with the compressed schedule, particularly because it gave them a 3-day weekend, and that return to a 5-day work schedule would be unacceptable to them.

At one company having a Teamsters Union contract, we were told that drivers on the compressed schedules were normally paid at regular hourly rates for their 40-hour workweek. However, when they drove under Government contract they were paid at overtime rates, in accordance with the Walsh-Healey Act overtime payment requirements.

A union official told us also that freight-haul truckdrivers who worked a 5-day schedule would resist any efforts to place them on a 4-day compressed schedule. He was unable to explain the differences in attitudes of the two groups within the local. The local had not studied the use of flexible schedules and had no opinion on their use.

UNITED AUTO WORKERS

The United Auto Workers (UAW) told us it was not opposed to experiments involving the use of compressed schedules. During 1974 it cooperated in a 2-month experiment with a 4-day, 40-hour compressed schedule at a parts depot. Under the schedule, about one-half of the depot employees worked Monday through Thursday and one-half worked Tuesday through Friday.

The depot discontinued the experiment due to employee dissatisfaction, because (1) many employees had long distances to commute since the work location had recently moved about 30 miles and the long commuting was found fatiguing in conjunction with the 10-hour workday, (2) employee seniority rights were eliminated to provide for rescheduling work assignments, and (3) Saturday overtime work was generally offered to employees working Tuesday through Friday, which caused resentment among other employees who did not have the opportunity to work overtime.

The UAW told us it would be willing to participate in another experiment to test the feasibility of a compressed 4-day, 40-hour workweek at another location. It believed that, with better planning and communication by the parties involved, a 4-day compressed schedule could be successful.

The UAW also told us it would favor a 4-day, 36-hour compressed schedule with 40 hours' pay, to create more jobs for its members. The UAW had no position on the use of flexible hours, because it had not studied the matter sufficiently.

CHAPTER 5

RESEARCH STUDIES OF ALTERED WORK SCHEDULES

We obtained four reports published during 1975 resulting from studies of the use and impact of altered work schedules.

UNIVERSITY OF PENNSYLVANIA

In May 1975 Dr. Harriet Faye Goldberg of the Industrial Research Unit, The Wharton School, University of Pennsylvania, published a doctoral dissertation entitled "A Comparison of Three Alternative Work Schedules: Flexible Work Hours, Compact Work Week, and Staggered Hours." Her report covered 81 organizations in the United States and Canada which had replied to questionnaires she sent in July 1974 on compressed and flexible schedules. Her report identified types of work-hour schedules in use, reasons for establishing them, and the advantages and disadvantages experienced by the organizations.

Of the organizations Dr. Goldberg studied, 57 had used compressed schedules and 24 had used flexible schedules. Under 18 percent of the organizations with compressed schedules and nearly 74 percent of those with flexible schedules had started using them during 1973 and 1974. She found that most organizations used flexible schedules to improve employee morale and to relieve employee commuting problems and used compressed schedules to increase productivity and employee morale and to make greater use of capital equipment.

Organizations using compressed schedules generally had fewer than 100 employees; most of those using flexible schedules had over 1,000 employees. Employees working the altered schedules generally were not members of labor unions. Of the organizations Dr. Goldberg studied, only 1 had discontinued using flexible schedules but 17 of the 57 using compressed schedules had discontinued using them.

Supervisors at flexible schedule organizations expressed concern that they would lose control over their employees or would have to work more hours. Dr. Goldberg found no evidence that these problems had occurred. Problems with employee absences during working hours were worked out among employees or the length of the core periods were extended. Employees working flexible schedules reported they liked the schedules.

Dr. Goldberg observed that the amount of manual labor required by the job was the major difference between the organizations where compressed schedules succeeded or failed. For example, she found that compressed schedules were successful in data processing operations because the work is not physically strenuous. For these firms, compressed schedules permitted greater use of capital equipment. Compressed schedules were used successfully when the length of the workweek was reduced.

Dr. Goldberg considered flexible schedules an additional benefit to employees involving little or no cost to the organization. She found that flexible schedules were used generally for white-collar workers. However, their use was unworkable in operations that depended on the presence of coworkers. Her study reported a general increase in job satisfaction by employees at organizations using altered schedules.

BUSINESS AND PROFESSIONAL WOMEN'S FOUNDATION

In 1975 the Business and Professional Women's Foundation published a research report entitled "Hours of Work When Workers Can Choose: The Experience of 59 Organizations with Employee-Chosen Staggered Hours and Flexitime." Of the organizations studied, 40 were using flexible schedules and 19 were using staggered schedules under which employees could select their own fixed times of arrival and departure.

The major objectives given for establishing flexible schedules were to improve employee morale, and for closely related reasons, such as bringing equity between professional and nonprofessional staffs, and to allow employees more freedom to control the work situation and assume responsibility for their own actions. Other objectives sought were traffic relief, easier commuting, and reduced tardiness. Four firms adopted flexible schedules in response to employee requests.

The foundation reported that employers usually obtained greater advantages than those sought and that benefits were about equally divided between employees and employers. Employees benefited in that morale and job satisfaction were increased, they were better able to integrate their work and personal lives, and their commuting was made easier. Employers benefited in that absenteeism decreased in 65 percent of the firms, tardiness decreased in 89 percent, and productivity increased in 55 percent.

No organization reported worsened productivity, absenteeism, tardiness, turnover, or fatigue. The major problem reported was initial management resistence because supervisors feared that they would have to be in attendance for long hours or that they would lose supervisory control. The supervisory fears were found solvable. A few firms reported employees' resistence to introduction of time-recording devices; 16 firms reported no problems.

No appreciable changes in operating expenses were reported by the organizations studied. However, 11 organizations reported reductions in overtime costs.

The foundation concluded that technology alone had less potential for increasing productivity than technology coupled with other steps that increase productivity. It believed that flexible hours might offer one means. The foundation also concluded that conversion to flexible schedules was providing long-term benefits in many cases in that none of the organizations studied discontinued using flexible schedules.

DEPARTMENT OF LABOR

Early in 1975 the Department of Labor published a report, "The Revised Workweek: Results of a Pilot Study of 16 Firms," concerning the experiences of 5 manufacturing firms, 3 banks, 2 insurance companies, 2 automobile dealers, 2 Government agencies, 1 wholesale trade firm, and 1 hospital using compressed schedules. All the organizations had used the compressed schedule for over a year; 12 considered it a permanent arrangement, 3 considered it experiments, and 1 was considering discontinuing it.

The organizations had established the compressed schedules to ease recruitment, to provide better service by extending daily or weekly hours, to maximize equipment use, to improve organizational image, to reduce overtime or absenteeism, and to improve employee morale. The study showed that among the firms productivity generally increased, employee turnover was thought to be improved, some reductions in absenteeism occurred, and there was some improvement in the use of plants and equipment. In general, employees of the organizations seem to like the compressed schedules and did not wish to change back to their former 5-day schedules.

ENVIRONMENTAL PROTECTION AGENCY

In May 1975 the Environmental Protection Agency issued a report, "Impacts of Energy Conservation Measures Applied to Commuter Travel," which assessed, among other things, the impact of altered schedules on energy consumption by commuters in urban areas. The study estimated that, when commuting trips were made during times when there was less traffic congestion, up to a 37-percent savings in energy consumption was possible because of improved traffic flow.

The report showed that using 4-day, compressed schedules could result in a 20-percent reduction in energy consumption because of the reduced number of trips made. The report also showed that flexible schedules could result in reduced energy consumption because of the ease of forming carpools. Both compressed and flexible schedules could result in reduced energy consumption for commuters because of increased travel speed from improved traffic flow.

CHAPTER 6

LEGISLATION UNDER CONSIDERATION

The 94th Congress is considering two bills, H.R. 6350 and H.R. 9043, which would authorize agencies and employees of the Federal Government to experiment with flexible and compressed work schedules. During hearings held on these bills in September 1975, support was expressed by Members of Congress and by Administration officials on the experimental use of altered work schedules for Federal employees.

Two other bills proposing to amend the Federal overtime payment requirements applicable to Government contractors have also been introduced in the 94th Congress. These bills, H.R. 2625 and H.R. 4814, would amend the Walsh-Healey Act and the Contract Work Hours and Safety Standards Act to provide that Government contractors whose employees work a 4-day compressed schedule would be required to pay employees at overtime premium rates only when the number of hours worked exceeds 10 hours a day or 40 hours a week. Current provisions would remain in effect for employees continuing to work a 5-day workweek.

CONCLUSIONS

Our survey showed that not all organizations benefited from or could use altered work schedules. However, we, and others who have studied their use, found that a number of organizations using such schedules realized benefits for themselves and for their employees. Society in general could also benefit.

Because altered work schedules have not been in use long, conclusive evidence on the effects of their long-term use is not available. In many organizations using altered schedules, employees' morale and productivity were increased and absenteeism and overtime costs were reduced. Altered schedules can permit better use of transportation and recreation facilities. Many employees appear satisfied with altered work schedules.

Compressed schedules, particularly 3-day compressed schedules, appear most successful for employees, such as computer operators, whose work is not physically strenuous and has built-in rest periods during the workday, which reduces the severity of fatigue. Compressed schedules appear successful in achieving increased use of capital facilities and in providing opportunities for energy savings by both organizations and employees. However, problems have occurred at some organizations because of employee fatigue, and many of the organizations that have discontinued using compressed schedules have done so for this reason.

Flexible schedules appear to be more successful. However, since most flexible schedules have not been in use long, their long-term impact is not known. Flexible schedules appear to be successful in employment situations where employees work on a somewhat independent basis, such as in administrative operations. Flexible schedules also provide some opportunities for energy savings by employees and opportunities for employees to adjust their work schedules to their family and other needs. Flexible schedules also provide opportunities for some persons in our society to work, such as mothers who find fixed schedules difficult.

The Fair Labor Standards Act, which applies to employers that are Government contractors as well as those that are not, provides that overtime premiums be paid whenever employees work more than 40 hours a week. The Contract Work Hours and Safety Standards Act and the Walsh-Healey Act, which apply to Government contractors, require the payment of overtime premiums whenever employees work more than 8 hours a day or 40 hours a week. Together, these acts limit employee flexibility to bank and borrow time when desired.

Many persons believe that overtime premiums should be paid for all time worked in excess of 8 hours a day and 40 hours a week. Some persons would like to see current legislative requirements remain unchanged, and others would like to see legislation enacted to reduce the number of hours in a workday or in a workweek.

However, a growing number of others believe that payment of overtime premiums should not be required for work in excess of 8 hours a day or 40 hours a week when employees desire to alter their work schedules to work at times more convenient to their needs and desires. Also many persons believe that overtime payment requirements should be revised to permit additional use of compressed schedules.

We found that adherence to fixed, 5-day work schedules was not always best for employees and employers. For persons desiring changes to certain altered work schedules, the current overtime payment requirements do not always work to their best advantage. Therefore we believe the Congress should revise the current laws to permit greater use of altered work schedules.

Since the need remains to protect the health and safety of employees, however, we believe the revisions made should continue to protect employees from long hours of labor that could be detrimental to their well-being. Also, since many employees and employers are satisfied with their current schedule arrangements, care should be taken not to place these persons and organizations at a disadvantage.

We also believe more uniformity in Federal overtime requirements is desirable so that employees are not under one policy when they work on Government contracts and another policy for their other work. Uniformity would eliminate differences in pay between persons working on Government contracts and persons doing the same work who are not working on Government contracts.

RECOMMENDATIONS TO THE CONGRESS

We recommend that, when considering the proposed legislation to amend the Contract Work Hours and Safety Standards Act and the Walsh-Healey Act, the Congress include provisions to:

- --Require Government contractors using compressed schedules for their employees to pay overtime premiums when a 4-day schedule is used and the number of hours worked exceeds 10 a day or when a 3-day schedule is used and the number of hours worked exceeds 12 a day, except as discussed below with respect to banking and borrowing time under flexible schedules.

- --Permit Government contractors to use flexible work schedules allowing employees to bank and borrow time by working more or less than 8 hours a day at the employees' convenience without the contractors' being required to pay overtime premiums for the hours worked in excess of 8 a day or 40 hours a week. To maintain the integrity of the 40-hour workweek provided for in these acts, a provision should be included requiring that the number of hours worked without payment of overtime premiums not average more than 40 hours a week over a specified period, possibly a month or several months. This would also require exempting the Government contractors involved from the 40-hour workweek requirement of the Fair Labor Standards Act or changing that act to allow employees to bank and borrow time.

The above recommendations concern the overtime requirements that apply to Government contractors. Although their adoption would give Government contractors additional opportunities to use altered work schedules, separate overtime requirements for Government contractors still exist.

Therefore we also recommend that the Congress consider, as a long-range objective, establishing more uniform Federal policies on overtime requirements in view of the advantages of altered work schedules cited in this report.

Agency comments

On March 15, 1976, we gave our proposed report to the Department of Labor for comment because of its responsibilities for the Contract Work Hours and Safety Standards Act, the Fair Labor Standards Act, and the Walsh-Healey Act. We also gave copies to the Department of Defense and the General Services Administration for comment because of the large amount of contracting they do for the Government. So that we could issue our report to the Congress early in April 1976, we asked them for comments by March 22, 1976.

The Department of Labor told us it could not comment formally within the time specified. Department officials told us, however, that they believed the Department would be reluctant to support legislative changes without further studying the impact of altered work schedules on employees of Government contractors.

The Department of Defense and the General Services Administration told us they favored our recommendations. The General Services Administration also told us it believed (1) that legislation might be needed that would enable certain Government employees to work contractors' altered work schedules and (2) that altered work schedules could result in increased energy consumption for building operations but that the advantages of using altered schedules would outweigh the disadvantage of increased energy consumption.

TWENTY ORGANIZATIONS GAO SURVEYED
THAT USED ALTERED WORK SCHEDULES

Atlantic Products Corp.
Bata Shoe Co., Inc.
Beckman Instruments, Inc.
Chrysler Corporation
Day & Zimmerman, Inc.
Delaware Valley Regional Planning Commission
Food Fair Stores, Inc.
General Electric Company
Hewlett-Packard Co.
Kyanize Paints, Inc.
Paul O. Young Company
Penn Mutual Life Insurance Company
Prince Georges County Memorial Library System
Provident National Bank
Prudential Insurance Company of America
Samsonite Corporation
Scott Paper Company
Smithkline Corporation
Sun Oil Company
Texas Instruments, Inc.

FORTY-FOUR GOVERNMENT CONTRACTORS GAO SURVEYED

AAI Corp.
Aeronutronic Ford Corp., Division of Ford Motor Co.
Aiken Industries Inc.
Aluminum Company of America
American Electronics Laboratories Inc., AEL Service Corp.
American Oil and Supply Co.
Aydin Corp.
Bendix Corp.
Bethlehem Steel Corp.
Boeing Vertol Co., Division of Boeing Co.
Booz Allen and Hamilton Inc., Booz Allen Applied Research
Campbell Soup Co.
Colgate-Palmolive Co.
Curtiss-Wright Corp.
Dale Fashions Inc.
DeLaval Turbine Inc., Turbine Division
D'Lauro Frank A. Co.
Gichner Mobile Systems Division of Union Corporation
Green Construction Co.
Hoffman-LaRoche Inc.
Honeywell Inc.
Hydronautics Inc.
International Signal and Control
International Telephone Telegraph, Defense Comm. Div. of
Kessell Kitchen Equipment Co.
Kidde Walter and Co., Inc.
Kraftco Corp.
Lansdowne Steel and Iron Co.
Leland Tube Co.
Litton Industries Inc., Litton Systems Inc.
Lockheed Aircraft Corp., Lockheed Electronics Co., Inc.
Mine Safety Appliances Co.
Newell Clothing Co.
Operations Research Inc.
Pennsylvania State University
QUS Inc.
REDM Corp.
Rois Manufacturing Co.
Royal Lubricants Co.
Seatrain Lines Inc.
Washington Technological Associates Inc.
Westinghouse Electric Corp.
Wilbur Chocolate Co., Inc.
Yarway Corp.

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PRINCIPAL OFFICIALS OF DEPARTMENT OF LABOR RESPONSIBLE FOR ADMINISTERING ACTIVITIES DISCUSSED IN THIS REPORT

	Tenure of office	
	From	To
William J. Usery, Jr.	Feb. 1976	Present
John T. Dunlop	Mar. 1975	Jan. 1976
Peter J. Brennan	Feb. 1973	Mar. 1975

REPORT TO THE CONGRESS

BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

Part-Time Employment In Federal Agencies

Civil Service Commission
Office of Management and Budget

This report examines ways part-time employees are used in Federal agencies, advantages and disadvantages of using them, and constraints on increased use of such employees.

The Office of Management and Budget should relax or eliminate personnel ceilings for part-time employees to allow agencies greater flexibility in using whatever types of employees are needed to most efficiently and productively accomplish agency functions.

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COMPTROLLER GENERAL OF THE UNITED STATES
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To the President of the Senate and the
Speaker of the House of Representatives

This report discusses ways part-time employees are used in Federal agencies, advantages and disadvantages of using them, and constraints on increased use of such employees.

We made our review pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Copies of this report are being sent to the Director, Office of Management and Budget; the Chairman, Civil Service Commission; and the heads of departments and agencies included in our review.

Elmer B. Staats

Comptroller General
of the United States

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ABBREVIATIONS

CSC	Civil Service Commission
FPM	Federal Personnel Manual
GAO	General Accounting Office
HEW	Department of Health, Education, and Welfare
HUD	Department of Housing and Urban Development
INS	Immigration and Naturalization Service
IRS	Internal Revenue Service
OMB	Office of Management and Budget
SSA	Social Security Administration

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

PART-TIME EMPLOYMENT
IN FEDERAL AGENCIES
Civil Service Commission
Office of Management and Budget

DIGEST

ADVANTAGES AND DISADVANTAGES OF USING PART-TIME EMPLOYEES

The Congress is considering legislation which would provide for increased opportunities for part-time employment in executive agencies. (See p. 1.)

The Government's programs and functions are carried on primarily by its full-time permanent work force. However, when workloads fluctuate or less than 40 hours a week of staff time is needed, using part-time employees may be the best and most economical way of accomplishing necessary work.

During fiscal year 1974, Federal executive agencies employed an average of 222,880 part-time employees per month, about 8 percent of the total Federal civilian employment. (See p. 1.)

In providing part-time employment, the Government can use a great pool of talent that would not be needed or available on a full-time basis. Part-time employment also benefits many persons who cannot or choose not to work full time. (See p. 4.)

According to agency officials, benefits from using part-time employees include greater flexibility in meeting temporary increases in personnel requirements during seasonal workload peaks and for emergency work and special projects. Disadvantages include increased training and administrative costs because of the high turnover rate. (See pp. 4 to 8.)

CONSTRAINTS ON USING MORE PART-TIME EMPLOYEES

Agency officials cited instances in which additional part-time employees could have

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been effectively used but were not hired primarily because of funding limitations and personnel ceilings. (See pp. 11 to 13.)

CONCLUSIONS

Controls imposed by rigid personnel ceilings tend to deprive agency management of flexibility in accomplishing essential work by most effectively and economically using the most appropriate type of manpower in specific circumstances. Excessive emphasis on limiting the number of persons on the Federal payroll may obscure the reality that the Government incurs the cost of getting essential work accomplished regardless of the type of manpower used. In the current period of high unemployment, many capable people would probably welcome the opportunity to work for the agencies part time. (See p. 15.)

RECOMMENDATION

The Director, Office of Management and Budget, should eliminate or relax personnel ceilings for part-time employees on a test basis to allow agencies the flexibility of using--within limits of their available funds--enough part-time employees with appropriate skills and experience needed to accomplish their functions efficiently and productively. (See p. 20.)

AGENCY ACTIONS

The Office of Management and Budget agreed on the desirability of part-time employment and the need to find appropriate ways to make hiring part-time employees easier, but it did not believe that further relaxing personnel ceilings was necessary. (See app. III.) The agency has not informed GAO of any action planned on the recommendation.

CHAPTER 1

INTRODUCTION

The President and the Congress have long been concerned about limiting the total number of employees on the Federal payroll, and their concern has intensified as payroll costs have increased. Yet, enough skilled, experienced personnel must be acquired if the programs approved by the President and the Congress are to be effectively, efficiently, and economically executed.

In June 1975 the Senate approved a bill which would provide increased employment opportunities in executive agencies for persons unable to work standard working hours. A House subcommittee has held hearings but has not acted on this bill or other bills proposing increased part-time employment.

The Government's programs and functions are carried on primarily by its full-time permanent work force. The Civil Service Commission (CSC) has recognized, however, that in many circumstances--such as when workloads fluctuate or less than 40 hours a week of staff time is needed--using part-time employees may be the best and most economical way of accomplishing necessary work. CSC has also recognized that the Federal Government, as the Nation's largest employer, has the responsibility to make maximum use of all available skills and abilities.

During fiscal year 1974 the executive branch employed an average of 2,762,970 civilians. Part-time employment accounted for 222,880, or 8 percent, of these jobs. Except for Office of Management and Budget (OMB) employment ceilings, policies and regulations pertaining to the hiring, period and conditions of employment, and separation of part-time employees are prescribed by CSC.

In the Federal Personnel Manual (FPM), CSC offers varying definitions of part-time employees:

--"Part-time employees means those regularly employed on a prescheduled tour of duty which is less than the specified hours or days of work for full-time employees in the same group or class." (Chapter 291, app. B-1a(6).)

--"* * * a part-time employee, regardless of the nature of his or her employment, is one who works less than 40 hours a week. The employment may be regular and recurring (loosely referred to as

> "permanent"); it may be for a temporary period; or it may be intermittent in the sense that the person works only when called in, but it is still the kind of employment which is subject to the derived ceiling." (Chapter 312, B-2(d).)

Agencies' employment ceilings, both for the end of the fiscal year in progress and the end of the succeeding fiscal year, are established by OMB and the President during the annual budget review. Ceilings are established for both full-time permanent and total employment. The difference between these two ceilings, including temporary part-time and intermittent employees, is commonly referred to as the derived or "other" ceiling. The derived ceiling becomes, in effect, a limitation on the number of part-time workers that may be employed. Since all ceilings apply to the last day of the fiscal year, agencies have some flexibility for adjusting employment levels within the year.

Part-time employees may be hired against vacancies applicable to both the derived ceiling and the full-time permanent ceiling without OMB approval. If an agency's legitimate needs for part-time employees cannot be met within the limits of the derived ceiling and the full-time permanent ceiling, with OMB approval the agency may convert spaces from the full-time permanent ceiling to the derived ceiling to permit splitting full-time jobs. For example, two persons, each working 20 hours a week, would be counted as one.

Since agency heads have flexibility to make internal adjustments, they need apply for OMB approval of only those adjustments which are significant in relation to their agency's overall personnel ceiling. According to an OMB official, no agencies have applied for approval of this type of conversion. No specific provision allows for reversing the conversion process, that is, converting positions from the derived ceiling to the full-time permanent ceiling should the need arise. However, an OMB official said that such a reversal can be made. He said the absence of the provision should not deter agencies wishing to convert full-time spaces to part time.

Agencies can also obtain part-time employees through youth programs, such as the Temporary Summer Aid program, the Stay-in-School Campaign, and the Federal Junior Fellowship program, that are exempt from ceilings.

CSC has encouraged Federal organizations to use part-time employees. FPM Letter No. 713-8, dated January 25, 1968, said that CSC was continuing to study opportunities for developing additional part-time positions to meet staffing requirements arising from shortages of qualified people. The letter added that, while the needs of the Federal service must be made known to all sources of employable talent, women able to reenter the employment market were a principal source of recruits.

On December 19, 1973, CSC issued Bulletin No. 300-34, which said that, when job candidates with needed skills and training are in short supply, the use of part-time candidates may uncover talented, well-qualified individuals agencies might have otherwise missed. CSC also said that there is growing recognition of the desirability of using part-time employees in clerical jobs, but that more attention should be given to using qualified part-time employees in professional and technical positions.

Most agencies maintain information on their total employment population, but normally do not prepare separate information on part-time employees. CSC provided us with statistics on Federal civilian part-time employment by agency as of November 30, 1973, the latest date for which information was available. The information included summaries for both white- and blue-collar workers by grade or salary levels and by age groupings.

According to these statistics, about 192,500 persons, 7.3 percent of the Federal work force, were employed less than full time. White-collar part-time positions were concentrated in grades GS-7 and below and blue-collar positions mostly in the salary range of $8,999 and below. All age groupings were represented, but most part-time positions were held by individuals under 21 years old. (See apps. I and II.)

Part-time employees generally receive fewer fringe benefits--for which the Government bears part or all of the cost--than full-time permanent employees. (See p. 6.)

Studies of private industry showed that some companies, school systems, and universities used part-time workers effectively. Other companies tried to avoid using them (See pp. 9 and 10.)

CHAPTER 2

ADVANTAGES AND DISADVANTAGES OF USING PART-TIME EMPLOYEES IN FEDERAL AGENCIES

In providing part-time employment, the Government can use a great pool of talent that may not be needed or available full time. Part-time employment also benefits many groups: persons who cannot or choose not to work full time; handicapped people who cannot bear the strains of a long day or cope with rush-hour traffic; students and individuals undergoing retraining who must be partially or totally self-supporting; experienced, trained older employees who prefer to continue to work part time rather than retire; and retired annuitants.

The 21 agencies in which we made our review employed about 181,200 part-time workers, 94 percent of the Federal civilian part-time employment as of November 30, 1973. In these agencies part-time employees have been used primarily to (1) augment the regular work force to meet temporarily increased workloads in day-to-day and seasonal activities, (2) replace employees on leave, (3) assist with emergency work or special projects not requiring full-time permanent employees, and (4) provide a source for recruiting to fill vacant full-time positions.

Part-time employees occupied various types of positions but were generally used as clerical workers. Some agencies used part-time workers in professional or semiprofessional positions--as attorneys, claim representatives, inspectors, and staff assistants--but rarely in supervisory or management positions. According to officials, full-time employees are needed in these positions to assume the responsibility and provide the continuity of effort required to maintain stability in the work force.

Officials at all the agencies we reviewed said they had benefited from using part-time employees, and 44 of the 58 officials questioned said they could effectively use more of them. However, some officials cited certain disadvantages.

ADVANTAGES

None of the agencies reviewed had specifically studied the impact of using part-time employees. However, agency officials mentioned a number of advantages, including (1) greater flexibility in meeting work requirements, (2) having quality personnel who otherwise might not be available, (3) lower personnel costs, (4) increased interest in later permanent employment, and (5) positive job attitudes.

Greater flexibility

Of the 58 officials questioned, 41 said that using part-time workers to augment the regular work force had provided greater flexibility in meeting temporary increases in requirements for personnnel during seasonal workload peaks and to do emergency work and special projects. The flexibility had enabled the agencies to provide better and more timely service to the public and to more effectively use their staffs. Two Immigration and Naturalization Service (INS) officials in New York City said that using part-time employees had enabled the agency to decrease its backlog and provide better service to the public. The CSC New York regional office used part-time employees for special projects during the normal workweek.

Quality personnel

Nineteen officials said that their agencies had been able to secure highly skilled and talented personnel part time who might not have otherwise been available because of other commitments. For example, former employees who could no longer work full time because they had returned to school or had family commitments had been hired part time.

Performance evaluations of part-time workers were usually not available. However, performance ratings prepared at the Social Security Administration (SSA) and the Internal Revenue Service (IRS) in Los Angeles for several part-time employees showed that each had met all expectations for success and four had received special achievement awards.

Forty-five agency officials said that their experience with part-time employees had been satisfactory and that part-time workers' productivity tended to equal or surpass that of their full-time counterparts.

An IRS manager in the Los Angeles area office said that (1) because their assignments were temporary, part-time workers seemed to take the tedious tasks in stride and (2) their productivity was often greater than that of his full-time employees.

At SSA in Los Angeles, some part-time employees handled a workload 27 to 59 percent greater than full-time employees performing similar work. A Department of Housing and Urban Development (HUD) official suggested that part-time employees were sometimes more productive than full-time employees because the part-time workers felt they would be terminated if their productivity was not consistently high. In the event of a reduction in force, temporary and intermittent employees are placed lower on the retention register than career and career-conditional employees and usually are separated first. (FPM chapter 351, subchapter 5-2c.)

Recognizing the potential benefits of hiring high-quality, skilled personnel part time, the Department of Health, Education, and Welfare (HEW), HUD, the Veterans Administration, and the Atomic Energy Commission implemented programs to tap these resources. (See pp. 8 and 9.)

Lower personnel costs

Nine officials said that using part-time employees had helped lower personnel costs through reduced overtime and fringe benefits, but they had no documentation available to show the extent of any cost savings.

Part-time employees generally receive fewer fringe benefits--for which the Government bears part or all of the cost--than full-time permanent employees. Under current statutes and regulations, full-time permanent employees earn annual and sick leave, participate in insurance and retirement programs, and are considered for promotion. The extent to which part-time employees qualify for these benefits depends on their employment classification--career conditional, temporary, term, or intermittent.

--Part-time career-conditional employees (that is, those with appointments leading to career status after 3 years) earn annual and sick leave based on the number of hours worked and participate in insurance and retirement programs. Generally, these employees may be considered for promotion to positions that can practicably be filled on a part-time basis.

--Part-time temporary employees who work regularly scheduled tours of duty, usually for less than a a year, earn annual and sick leave based on the number of hours they work. These employees are not entitled to insurance or retirement benefits but are covered by Social Security. They cannot be promoted or transferred to another job.

--Term employees, those with temporary appointments for a specific project which can last from 1 to 4 years, are entitled only to insurance benefits.

Such employees can be promoted or transferred to another job in the same project.

--Individuals working on an intermittent or irregular basis are covered by Social Security but do not earn leave and are not entitled to insurance or retirement benefits.

Increased interest in permanent employment

Six officials said that part-time employees provide a good source for recruiting full-time permanent personnel. By hiring part-time workers to fill vacant permanent positions, agencies can reduce recruiting costs and the need for extensive orientation and training.

According to a San Francisco IRS official, college students who had worked part time added to the staff's effectiveness upon becoming regular employees because they had already gained some proficiency in agency operations. A San Francisco HUD official said that part-time workers provide a recruiting pool for the agency when full-time permanent positions became vacant. He added that hiring experienced part-time employees for full-time positions reduces training costs and provides permanent employment opportunity for persons--especially members of minority groups--who might not otherwise have the opportunity.

Positive job attitudes

Five officials noted that part-time employees generally have positive job attitudes. IRS and SSA officials said that part-time workers are reliable and generally have good attendance records because many want to obtain full-time positions.

DISADVANTAGES

Nine of the 58 officials questioned reported no disadvantages in using part-time employees. Disadvantages cited by other officials are listed below in the order of frequency.

--Additional training and administrative costs are incurred because of the higher turnover rate.

--Problems are encountered in scheduling work to accommodate the hours part-time workers are available.

- There is lack of job continuity, and other employees have to continue or complete work started by the part-time workers.

- Part-time employees are less capable than full-time employees, resulting in poor service to the public or lower productivity.

- Many qualified part-time workers leave for full-time employment.

- Part-time employees have lower morale because they receive fewer fringe benefits than full-time employees.

Although the agencies we reviewed had not documented the disadvantages of using part-time employees, data at the IRS Los Angeles office showed that 38 part-time workers had attended a 3-week training program at a cost of $24,920, or $656 per person. Since part-time employment is usually limited to 6 months and about 50 percent of the workers did not return the second year, the agency benefited less from their training than from the training of full-time permanent employees for whom the turnover rate was 8 percent. IRS had not estimated the value of the additional services afforded the public because of the part-time workers.

In some instances the Government incurs increased costs for unemployment insurance paid to separated seasonal workers on the basis of their part-time employment. For example, in a sample of 50 temporary employees terminated by the IRS Service Center, Fresno, California, 11 persons filed claims and received unemployment insurance benefits solely on the basis of their temporary employment. The 11 individuals received $16,157 in wages during their temporary employment, entitling them to unemployment insurance benefits of $8,099. The total cost to the Government was thus $24,256, approximately 50 percent more than the employees' actual wages.

FEDERAL PROGRAMS FOR PART-TIME EMPLOYEES

HEW and HUD implemented programs specifically designed to employ qualified individuals who could not or chose not to work a regular 40-hour week. The part-time workers filled a variety of positions--as staff assistants, architects, economists, and attorneys. The grade level of these employees ranged from GS-5 to GS-15.

HEW's program, started as a demonstration project to promote employment opportunity for women, was later integrated into the agency's broader program for women. During the summer of 1971, the project was evaluated on the basis of information obtained through interviews and with questionnaires filled out by program participants, their supervisors, and women employed full time in comparable grades and occupations. Since only 22 persons participated in the evaluation, the results were considered merely suggestive of the kinds of work experiences to be expected of part-time professional and technical personnel.

Supervisors responded favorably toward the use of part-time employees and considered them productive. In appraising the 22 participants, supervisors said that

--12 had been more productive than comparable full-time employees,

--14 had had no area of deficiency,

--16 had had no difficulty with work assignments,

--17 had made some special contribution,

--20 had required either less or the same orientation as other employees, and

--21 had completely favorable attitudes toward work.

HUD's program was intended to enable professionally trained employees to undertake part-time work when full-time work was not feasible. The program, started in 1967, was oriented toward women but was also available to men. Because of the program, HUD was able to use highly skilled professional workers who otherwise might not have been available. The program helped the agency meet its employment needs and gave the employees an opportunity to maintain their professional skills. As of March 1971, 48 persons had participated in the program.

The Veterans Administration and the Atomic Energy Commission (now part of the Energy Research and Development Administration) instituted similar programs in 1966.

USE OF PART-TIME AND TEMPORARY EMPLOYEES IN PRIVATE INDUSTRY

On December 5, 1974, the American Society for Personnel Administration and the Bureau of National Affairs reported on a survey of the use of part-time and temporary employees at 122 organizations--52 percent were manufacturing and 48 percent were nonmanufacturing organizations. The survey indicated that these employees were used in positions and under circumstances similar to those of part-time workers in Federal agencies.

Companies' evaluations of the advantages and disadvantages of using part-time and temporary workers ranged from completely positive to completely negative. Some companies felt their operations could not run smoothly without part-time and temporary help; others did everything possible to avoid hiring them. The reported advantages included:

--Savings in overtime costs for organizations with 6- and 7-day operations.

--Savings in fringe benefit payments.

--Workers usually above average in the quality and quantity of their work.

--Possible recruitment of students for full-time jobs after graduation.

Disadvantages mentioned were:

--Increased training and administrative costs because of the high turnover rate.

--Lower morale, lack of motivation, poor attendance, lack of dependability, incompetence, and sloppy dress.

Studies by private organizations show that productivity tended to be less among full-time, 8-hour-a-day employees than among part-time workers. One study, which involved recruiting 50 part-time caseworkers to fill 25 full-time jobs, showed that as much or more work could be accomplished by two half-time workers than by one full-time worker. The study concluded that offering part-time jobs for two-thirds or three-quarters of a week would be equally feasible. The half-time caseworkers carried a more-than-half caseload and completed many more client contacts than full-time workers.

In a study of part-time teaching in five major school systems, administrators acclaimed the use of part-time teachers, stressing that they were a bargain because many teachers voluntarily put in additional time.

Another study reported that part-time professional administrative employment in a university atmosphere proved successful and productive. All who were eligible for pay raises received them.

CHAPTER 3

CONSTRAINTS ON ADDITIONAL USE OF PART-TIME EMPLOYEES

Although 44 of the 58 agency officials said additional part-time employees could be effectively used in clerical and professional positions, they said that funding limitations and/or personnel ceilings prevented agencies from hiring more part-time workers. Some officials added that CSC regulations prevented or inhibited more effective use of part-time workers. Constraints cited by these officials are listed below in the order of frequency.

Constraints	Number of officials (note a)
Funding limitations	27
Personnel ceilings	25
Lack of space	4
Labor union contract restricting number of part-time workers that can be employed	4
CSC restrictions on temporary employees	3
Lack of supervisory help	1

[a] Some officials cited more than one constraint.

When we questioned 39 officials about this situation, 13 identified the following adverse effects:

--Fewer and/or untimely services were extended to public.

--Full-time employees were used for lower level work than called for by their grade level. A Los Angeles IRS official estimated that some management personnel used as much as one-third of their time on clerical tasks which part-time employees could have performed.

--Employees were inefficiently detailed during peak periods.

--Additional overtime costs were incurred.

--One full-time employee was hired to handle a workload that required less than 40 hours a week.

INS does not restrict part-time hiring through authorized force levels. Instead, it governs the number of part-time personnel it uses by the amount of funds available. When funds have been inadequate, INS has sometimes had to detail full-time patrol agents and investigators to perform work of a temporary nature, such as inspection, guard duty, bus driving, and clerical work, normally performed by intermittent and when-actually-employed personnel.

SSA and HUD officials in Los Angeles said that using part-time workers to reduce overtime costs is feasible in some cases. These officials said they did not plan to request additional part-time workers, however, because it was easier to obtain authorization for increased overtime hours than for an increased ceiling for part-time personnel. An SSA official said that all previous verbal requests for additional part-timers had been denied.

According to an SSA headquarters official, in some locations with heavy workloads the weekly maximum number of authorized overtime hours was increased. A portion of the work for which the overtime hours at premium pay was used--such as filing--could have been done by part-time employees. The agency's regional overtime allocation for the third quarter of fiscal year 1975 was 342,383 hours. Information was not available on the actual hours that would be used, but a regional official said that offices generally use all overtime allocated. Thus, for the third quarter the region would expend $1.87 million in overtime costs (based on the trainee entry level of GS-4 with an hourly overtime rate of $5.48) or enough funds to hire nearly 1,000 full-time GS-4s or nearly 2,000 part-time GS-4s working 20 hours a week.

An SSA official said that, when certain State-operated programs were transferred to the agency in January 1974, it had requested OMB to authorize additional positions to handle the anticipated increase in its workload. OMB refused to increase the agency's personnel ceiling, stipulating that requests for additional personnel be based on actual workload changes demonstrating such a need, not anticipated changes.

According to SSA officials, in addition to the enormous amount of overtime used, the public was inconvenienced by having to wait an inordinate amount of time to receive services. Recipients at a Los Angeles SSA branch had to wait for hours outside the office in long lines. These conditions were a particular hardship for a number of senior citizens.

A Veterans Administration regional official said that the personnel ceilings actually are meaningless, since the number of part-time workers used exceeds the ceiling during the year. He felt the agency should be allowed to hire additional people if it has the funds to pay them. An official of another agency alleged that in fiscal year 1974 several temporary employees were reported to OMB as full-time permanent employees to preclude the loss of full-time permanent spaces.

CSC observed in a regional letter dated February 20, 1973, that agencies had circumvented their full-time permanent ceilings by working temporary employees on substantially a full-time basis. According to CSC, the misuse apparently was caused by ceiling limitations imposed on the agencies.

CSC REGULATIONS AND GUIDELINES

Agency officials cited CSC regulations and guidelines as restricting or inhibiting the most effective use of part-time employees and resulting in (1) additional administrative and training costs associated with hiring and separating personnel and (2) loss of productivity. Throughout our review we told officials of our focus on part-time employment. Although the regulations cited below may apply to full-time, part-time, and intermittent temporary limited appointments, the cases agency officials cited are peculiar to part-time employees.

FPM chapter 316, subchapter 4-7(b), authorizes agencies to make temporary limited appointments outside the competitive register to fill vacancies in positions lasting no longer than a year when there are insufficient eligibles on the register. However, section 4-7(c) provides that temporary appointments outside the register be limited to positions in grades GS-7 and below and to 700 hours during a 12-month period.

A Los Angeles IRS official said that, as a result of this regulation, skilled and trained part-time workers must be furloughed after 700 hours of employment and new part-time workers must be hired. According to CSC officials, this provision is intended to prevent agencies from circumventing the competitive merit system by continuously using temporary employees not on the register. A CSC official said that if a job--full-time or part-time--is expected to require more than 700 hours, agencies may not use the 700-hour authority for such appointments.

FPM chapter 316, subchapter 4-8(d), authorizes agencies to rehire, by temporary limited appointment, former temporary employees hired from competitive registers. To rehire these temporary employees, however, the FPM requires (1) a break in service of at least 1 month, (2) not over 180 days of total service in the year preceding appointment, and (3) no more than 18 months elapsed time since the last separation.

IRS and HUD officials in Los Angeles said this regulation sometimes precludes the hiring of qualified, trained temporary employees. According to CSC, this provision is intended to protect both the integrity of the merit system and the employees. The provision attempts to prevent an employer from taking successive actions resulting in temporary employees being used essentially full time for more than 1 year without receiving the benefits that normally accrue to permanent employees. However, CSC does allow extension of temporary appointments under certain justified conditions, such as in emergencies.

CHAPTER 4

CONCLUSIONS, AGENCY COMMENTS, AND RECOMMENDATION

CONCLUSIONS

Effective, efficient, and economical agency implementation of programs authorized by the President and the Congress requires hiring and using the most appropriate types of manpower. The full-time permanent work force provides the management expertise and continuity of effort needed for carrying on the agency's principal programs and functions. However, when workloads temporarily increase, emergencies occur, or activities are undertaken not requiring the services of full-time permanent employees, part-time workers may be the most cost-effective source of needed manpower.

Excessive emphasis on limiting the number of persons on the Federal payroll may obscure the reality that the Government incurs the cost of getting essential work accomplished regardless of the type of manpower used. In our opinion, the budget and appropriation processes provide the President and the Congress effective means of controlling the numbers of persons that can be hired. Additional controls imposed by rigid personnel ceilings tend to deprive agency management of flexibility in accomplishing essential work by most effectively and economically using the most appropriate type of manpower in specific circumstances.

In the current period of high unemployment, it seems reasonable to assume that many capable people would welcome the opportunity to work for the agencies part time. We believe that OMB and CSC should work with the agencies to determine how regulations and guidelines could be revised to make more effective use of this available talent.

AGENCY COMMENTS

We presented our findings to the Director, OMB, and the Chairman, CSC, for comment, and to the heads of all agencies included in our review (see p. 21) for their information.

By letter of August 27, 1975 (see app. III), the Director, OMB, agreed on the desirability of part-time employment and the need to find appropriate ways to make hiring part-time employees easier, but he said that he was not at all certain that central personnel ceilings are producing the problems we outlined. He said:

> "As the report suggests, one way to determine the validity of the premise is to test the effect on operations of removal of employment ceilings. Five years ago the Navy Department under 'Project REFLEX' tested the effect of elimination of employment ceilings on the operation of certain laboratory facilities. The results were inconclusive. The General Services Administration is now undertaking a project to test the idea in agencies outside the Defense Department."

Project REFLEX was a Department of Defense demonstration project in which 10 research, development, test, and evaluation laboratories of the Army, Navy, and Air Force operated under fiscal controls without personnel ceilings. As noted in our report to the Congress on Project REFLEX (B-165959, June 21, 1974), project success was not measured objectively despite extensive efforts by the Defense Department and us to develop meaningful quantitative and qualitative data. REFLEX laboratory managers agreed that the project had been successful in providing flexibility, creating an environment which permitted management to meet rapid change. The General Services Administration has not yet completed arrangements for testing the REFLEX concept in other agencies.

In regard to the flexibility available to agencies through the use of personnel ceilings, the Director, OMB, said:

> "It is our view that many of the problems discussed in the draft report result from a failure to take advantage of the considerable flexibility that exists under the current ceiling system. We believe that the personnel ceiling system can accommodate the varying needs of agencies, especially for part-time employment. First, when an agency's employment ceiling is set during the fall budget process, consideration is given to requests for part-time and temporary employment commensurate with the agency's perceived needs to cover periods of unusual workloads. Second, ceilings are provided to the agency as a whole, and each agency head has discretion to allocate and reallocate that ceiling among the bureaus and elements of the agency. Finally, the personnel ceiling is applicable only to one day out of the year--June 30. The agency head can (within dollar limitations) exceed that ceiling during the year so long as the ceiling can be reached in an orderly manner by the end of the year."

By considering an agency's personnel needs in relation to its anticipated workload during the budget process, OMB and the President have an opportunity to influence projected employment levels. When the Congress approves programs and functions and appropriates the funds to implement them, personnel requirements can be determined more realistically and an effective control is established over an agency's actual workload and employment levels. An agency cannot hire workers unless it has the funds to pay them.

In addition to these controls, OMB imposes a personnel ceiling which arbitrarily limits the number of employees an agency may have on its payroll on the last day of the fiscal year, regardless of the work that must be accomplished and the funds available. Allocation and reallocation of this ceiling by an agency among its organizational elements and monitoring actual employment by these elements to insure that the ceiling is not exceeded on one day of the year creates an administrative burden and a meaningless illusion of control.

Concerning the rationale for using personnel ceilings, the Director, OMB, said:

> "* * * employment ceilings exist to constrain increases, primarily because of the proper concern of the President, many members of Congress, and the public in the number of employees on the Federal payroll, regardless of any other considerations. Without ceilings, there would be no effective control over these numbers, and employment probably would increase at a faster pace than is now the case. Even with ceilings on part-time and temporary employment, their numbers (Executive Branch less Postal Service) have increased by 40,000 (or 27%) over the last four years. Full-time permanent employment has declined by 40,000 over the same period."

We are in general agreement with the Director, OMB, that the Federal work force should be no larger than needed to effectively, efficiently, and economically carry out the programs and functions approved by the President and the Congress.

While employment ceilings may be a tool to assure that the concerns of the President and the Congress as to total numbers of Federal employees are met, they are at best an inferior substitute for effective management. Management at all levels needs to aggressively seek ways to improve productivity. We have studies underway aimed at measuring the impact of personnel ceilings on both employment levels and productivity.1/

We agree with comments furnished us on this matter by the Assistant Director for Administration and Finance of ACTION (see app. V):

> "In reviewing the relative advantages and disadvantages listed in your study we agree and support your position that many of the disadvantages would be eliminated if OMB removed agency ceilings for part-time employees. In fact, we would suggest that there might be even greater value if OMB abolished all ceilings, including personnel slots and average grades and, instead of the current system, became concerned only with budgets to agency management which were based on the program goals and requirements. Under this proposal agency management would then become responsible for assuring that the goals were accomplished within the budget allocation and the question of accountability would rest clearly and precisely with agency management and not be shared with OMB because of inappropriately allocated ceiling authorizations. Obviously Congress and OMB would still maintain vital control over agency management through a budget allocation process which focused on the amount of money it took to accomplish a task instead of the irrelevant criteria of how many employees were required. This proposal would very likely have its own effect on lowering the Federal average grade structure and the number of permanent Federal employees and in all likelihood increase the use of part-time employees if managers were measured against goals and budget."

1/Other reports discussing effects of personnel ceilings:

--"Impact of Employment Ceilings on Management of of Civilian Personnel" (B-165959, Apr. 30, 1971).

--"Implementation and Impact of Reductions in Civilian Employment, Fiscal Year 1972" (B-180257, July 2, 1974).

Officials of the Department of Agriculture; the Department of Health, Education, and Welfare; the Department of the Interior; the Department of Justice; and the National Science Foundation commented that personnel ceilings should be relaxed or eliminated. (See apps. VI, VII, IX, X, and XI.) Officials of other agencies reviewed (see p. 21) declined to comment on this matter.

By letter of August 27, 1975, (see app. IV), the Executive Director, CSC, said:

> "We have long favored maximizing * * * [part-time job] opportunities on the basis that they offer significant benefits and returns not only to the employee, but to the agency as well.
>
> "In view of our longstanding support for part-time employment, we were troubled by statements in your report that some agency officials (albeit only a few) consider our policies and regulations as restricting the most effective use of part-time employees. We are not aware of anything in our regulations, policies, or instructions to agencies that would support such a view. A review of the statements of the officials concerned leads us to believe that they may lack a clear understanding of what is meant by 'part-time' in the context of Federal employment. We note, too, that your report sometimes confuses part-time, intermittent, and temporary employment. We would therefore like to use this opportunity to clarify what is meant by part-time employment.
>
> "Part-time employment is recognized by the Commission as any regularly recurring work that is less than full time. It is, therefore, nothing more than a tour of duty (as is full time and intermittent) and should not be confused with kinds of appointments, such as temporary limited, term, or career conditional. Inasmuch as all agencies determine the tours of duty of their employees independent of any Commission control, it is difficult to see how the Commission's policies and regulations could properly be singled out as hampering part-time employment."

CSC's definition of part-time employment as any regularly recurring work that is less than full time is compatible with the definition in FPM chapter 291, app. B-1a(6). However, this definition is at variance with the definition in FPM chapter 312-B-2(d):

> "* * * a part-time employee, regardless of the nature of his or her employment, is one who works less than 40 hours a week. The employment may be regular and recurring (loosely referred to as 'permanent'); it may be for a temporary period; or it may be intermittent in the sense that the person works only when called in, but it is still the kind of employment which is subject to the derived ceiling."

The Executive Director, CSC, said:

> "Certainly, we have seen no evidence that our policies and regulations in any way restrict the full and proper use of part-time workers. On the contrary, we have taken the lead in encouraging agencies to consider part-time workers and our procedures to permit their employment are flexible and consistent with merit principles."

CSC's policies have encouraged agencies to use part-time workers in appropriate circumstances. However, agency officials said that CSC's regulations and guidelines do restrict the use of these workers. Officials of most agencies reviewed declined to comment on this matter.

RECOMMENDATION

We recommend that the Director, OMB, eliminate or relax personnel ceilings for part-time employees on a test basis to allow agencies the flexibility of using--within limits of their available funds--enough part-time employees with the appropriate skills and level of experience needed to accomplish their functions efficiently and productively.

CHAPTER 5

SCOPE

We questioned 58 officials at 21 Federal agencies and the U.S. Postal Service to determine (1) how and in what types of positions part-time workers were being used, (2) the advantages and disadvantages of employing such workers, and (3) whether OMB and CSC policies and regulations inhibit or preclude the effective use of these workers.

We reviewed various regulations, circulars, and studies pertaining to personnel ceilings and part-time employment. We also reviewed the House and Senate versions of the Part-Time Career Opportunity Act, designed to increase Federal employment opportunities for persons unable to work standard working hours. We made this review at the agencies listed below, in Washington, D.C.; Los Angeles, California; and New York, New York, and did limited work in San Francisco, California, and Burlington, Vermont.

Department of Agriculture
Department of Defense (Office of the Assistant Secretary; Departments of the Army, Navy, Air Force; and Defense Supply Agency)
Department of Health, Education, and Welfare (Social Security Administration)
Department of Housing and Urban Development
Department of the Interior
Department of Labor
Department of Justice (Immigration and Naturalization Service)
Department of the Treasury (Internal Revenue Service)
ACTION
Civil Service Commission
Energy Research and Development Administration (formerly Atomic Energy Commission)
General Services Administration
National Science Foundation
Office of Management and Budget
Tennessee Valley Authority
U.S. Postal Service
Veterans Administration

DISTRIBUTION OF COMBINED TOTAL OF PART-TIME

AND INTERMITTENT EMPLOYEES BY GRADE AND

SALARY LEVEL AS OF NOVEMBER 30, 1973 (note a)

	White-collar employees					Blue-collar employees							
Agency	GS grade level	Part-time and intermittent	Full-time	Sub-total	Part-time % of subtotal	Salary	Part-time and intermittent	Full-time	Sub-total	Part-time % of subtotal	Total employees	Total part-time and intermittent	Part-time and intermittent % of total
ACTION	1- 4	0	52	52	-	up to $6,999	0	0	0	-	52	0	-
	5- 7	1	167	168	.6	7,000 8,999	0	0	0	-	168	1	.6
	8-12	1	161	162	.6	9,000 13,999	0	1	1	-	163	1	.6
	13-18	0	183	183	-	14,000 18,000	0	0	0	-	183	0	-
	b19	397	750	1,147	34.6	(c)	0	0	0	-	1,147	397	34.6
	Total	399	1,313	1,712	23.3		0	1	1	-	1,713	399	23.3
CSC	1- 4	1,005	2,196	3,201	31.4	Up to $6,999	0	6	6	-	3,207	1,005	31.3
	5- 7	98	1,488	1,586	6.2	7,000 8,999	2	20	22	9.1	1,608	100	6.2
	8-12	27	1,675	1,702	1.6	9,000 13,999	0	25	25	-	1,727	27	1.6
	13-18	14	904	918	1.5	14,000 18,000+	0	1	1	-	919	14	1.5
	b19	73	10	83	88.0	(c)	0	0	0	-	83	73	88.0
	Total	1,217	6,273	7,490	16.2		2	52	54	3.7	7,544	1,219	16.2
AGRICULTURE	1- 4	13,424	16,353	29,777	45.1	up to $6,999	1,083	817	1,900	57.0	31,677	14,507	45.8
	5- 7	6,214	26,028	32,242	19.3	7,000 8,999	965	1,724	2,689	35.9	34,931	7,179	20.6
	8-12	392	33,776	34,168	1.1	9,000 13,999	531	2,550	3,081	17.2	37,249	923	2.5
	13-18	41	8,510	8,551	.5	14,000 18,000+	6	144	150	4.0	8,701	47	.5
	b19	6,822	1,748	8,570	79.6	(c)	0	0	0	-	8,570	6,822	79.6
	Total	26,893	86,415	113,308	23.7		2,585	5,235	7,820	33.1	121,128	29,478	24.3
DEFENSE	1- 4	178	10,527	10,705	1.7	Up to $6,999	5	1,860	1,865	.3	12,570	183	1.5
	5- 7	86	13,947	14,033	.6	7,000 8,999	9	3,952	3,961	.2	17,994	95	.5
	8-12	10	25,171	25,181	.0	9,000 13,999	5	6,604	6,609	.1	31,790	15	.0
	13-18	2	6,058	6,060	.0	14,000 18,000+	0	544	544	-	6,604	2	.0
	b19	560	342	902	62.1	(c)	1	2	3	33.3	905	561	62.0
	Total	836	56,045	56,881	1.5		20	12,962	12,982	.2	69,863	856	1.2
ARMY	1- 4	1,317	56,053	57,370	2.3	Up to $6,999	1,120	6,125	7,245	15.5	64,615	2,437	3.8
	5- 7	375	67,781	68,156	.6	7,000 8,999	582	24,806	25,388	2.3	93,544	957	1.0
	8-12	356	75,107	75,463	.5	9,000 13,999	69	73,311	73,380	.1	148,843	425	.3
	13-18	36	21,170	21,206	.2	14,000 18,000+	31	5,996	6,027	.5	27,233	67	.2
	b19	5,658	7,328	12,986	43.6	(c)	6	402	408	1.5	13,394	5,664	42.3
	Total	7,742	227,439	235,181	3.3		1,808	110,640	112,448	1.6	347,629	9,550	2.7
NAVY	1- 4	1,397	40,332	41,729	3.3	Up to $6,999	363	7,442	7,805	4.7	49,534	1,760	3.6
	5- 7	258	40,275	40,533	.6	7,000 8,999	593	27,217	27,810	2.1	68,343	851	1.2
	8-12	203	57,785	57,988	.4	9,000 13,999	341	87,701	88,042	.3	146,030	544	.4
	13-18	172	20,317	20,489	.8	14,000 18,000+	10	20,566	20,576	.1	41,065	182	.4
	b19	2,052	3,743	5,795	35.4	(c)	2	9	11	18.2	5,806	2,054	35.4
	Total	4,082	162,452	166,534	2.5		1,309	142,935	144,244	.9	310,778	5,391	1.7
AIR FORCE	1- 4	538	34,570	35,108	1.5	Up to $6,999	123	2,937	3,060	4.0	38,168	661	1.7
	5- 7	54	41,947	42,001	.1	7,000 8,999	222	16,037	16,259	1.4	58,260	276	.5
	8-12	88	51,957	52,045	.2	9,000 13,999	30	81,639	81,669	.0	133,714	118	.1
	13-18	28	12,931	12,959	.2	14,000 18,000+	0	6,926	6,926	-	19,885	28	.1
	b19	3,924	3,465	7,389	53.1	(c)	15	54	69	21.7	7,458	3,939	52.8
	Total	4,632	144,870	149,502	3.1		390	107,593	107,983	.4	257,485	5,022	2.0
DEFENSE SUPPLY AGENCY (note d)													

	White-collar employees						Blue-collar employees						
Agency	GS grade level	Part-time (intermittent) +	Full-time =	Sub-total	Part-time % of subtotal	Salary	Part-time and intermittent +	Full-time =	Sub-total	Part-time % of subtotal	Total employees	Total part-time and intermittent	Part-time and intermittent % of total
HEW	1-4	1,752	31,951	33,703	5.2	Up to $6,999	81	366	447	18.1	34,150	1,833	5.4
	5-7	846	34,611	35,457	2.4	7,000 8,999	49	673	722	6.8	36,179	895	2.5
	8-12	365	30,290	30,655	1.2	9,000 13,999	24	635	659	3.6	31,314	389	1.2
	13-18	141	13,720	13,861	1.0	14,000 18,000+	324	4,471	4,795	6.8	18,656	465	2.5
	b19	2,279	6,403	8,682	26.2	(c)	1	0	1	100.0	8,683	2,280	26.3
	Total	5,383	116,975	122,358	4.4		461	6,183	6,644	6.9	129,002	5,844	4.5
HUD	1-4	95	2,716	2,811	3.4	Up to $6,999	0	0	0	-	2,811	95	3.4
	5-7	25	4,214	4,239	.6	7,000 8,999	0	15	15	-	4,254	25	.6
	8-12	57	6,810	6,867	.8	9,000 13,999	0	42	42	-	6,909	57	.8
	13-18	29	3,306	3,335	.9	14,000 18,000+	0	2	2	-	3,337	29	.9
	b19	110	76	186	59.1	(c)	0	0	0	-	186	110	59.1
	Total	316	17,122	17,438	1.8		0	59	59	-	17,497	316	1.8
INTERIOR	1-4	2,526	10,230	12,756	19.8	Up to $6,999	695	785	1,480	47.0	14,236	3,221	22.6
	5-7	929	12,049	12,978	7.2	7,000 8,999	537	2,778	3,315	16.2	16,293	1,466	9.0
	8-12	491	21,034	21,525	2.3	9,000 13,999	521	6,485	7,006	7.4	28,531	1,012	3.5
	13-18	266	6,544	6,810	3.9	14,000 18,000+	372	1,720	2,092	17.8	8,902	638	7.2
	b19	686	963	1,649	41.6	(c)	5	2	7	71.4	1,656	691	41.8
	Total	4,898	50,820	55,718	8.8		2,130	11,770	13,900	15.3	69,618	7,028	10.1
LABOR	1-4	196	1,710	1,906	10.3	Up to $6,999	0	0	0	-	1,906	196	10.3
	5-7	71	3,356	3,427	2.1	7,000 8,999	1	25	26	3.8	3,453	72	2.1
	8-12	43	4,056	4,099	1.0	9,000 13,999	0	51	51	-	4,150	43	1.0
	13-18	33	3,425	3,458	1.0	14,000 18,000+	0	2	2	-	3,460	33	1.0
	b19	186	109	295	63.1	(c)	0	0	0	-	295	186	63.1
	Total	529	12,646	13,175	4.0		1	78	79	1.3	13,254	530	4.0
JUSTICE	1-4	262	8,145	8,407	3.1	Up to $6,999	3	2	5	60.0	8,412	265	3.2
	5-7	521	11,114	11,635	4.5	7,000 8,999	7	65	72	9.7	11,707	528	4.5
	8-12	93	15,371	15,464	.6	9,000 13,999	0	740	740	-	16,204	93	.6
	13-18	8	7,758	7,766	.1	14,000 18,000+	0	524	524	-	8,290	8	.1
	b19	432	1,670	2,102	20.6	(c)	0	0	0	-	2,102	432	20.6
	Total	1,416	46,058	47,474	3.0		10	1,331	1,341	.7	48,815	1,426	2.9
TREASURY	1-4	2,391	25,987	28,378	8.4	Up to $6,999	26	422	448	5.8	28,826	2,417	8.4
	5-7	749	28,722	29,471	2.5	7,000 8,999	9	2,097	2,106	.4	31,577	758	2.4
	8-12	105	33,251	33,356	.3	9,000 13,999	0	2,420	2,420	-	35,776	105	.3
	13-18	11	12,533	12,544	.1	14,000 18,000+	0	373	373	-	12,917	11	.1
	b19	535	1,025	1,560	34.3	(c)	0	15	15	-	1,575	535	34.0
	Total	3,791	101,518	105,309	3.6		35	5,327	5,362	.7	110,671	3,826	3.5
ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION	1-4	71	548	619	11.5	Up to $6,999	1	10	11	9.1	630	72	11.4
	5-7	25	2,023	2,048	1.2	7,000 8,999	0	25	25	-	2,073	25	1.2
	8-12	31	1,560	1,591	1.9	9,000 13,999	0	62	62	-	1,653	31	1.9
	13-18	15	3,070	3,085	.5	14,000 18,000+	0	1	1	-	3,086	15	.5
	b19	16	132	148	10.8	(c)	0	0	0	-	148	16	10.8
	Total	158	7,333	7,491	2.1		1	98	99	1.0	7,590	159	2.1
GENERAL SERVICES ADMINISTRATION	1-4	836	4,786	5,622	14.9	Up to $6,999	98	1,062	1,160	8.4	6,782	934	13.8
	5-7	78	8,152	8,230	.9	7,000 8,999	100	6,466	6,566	1.5	14,796	178	1.2
	8-12	20	5,186	5,206	.4	9,000 13,999	25	7,585	7,610	.3	12,816	45	.4
	13-18	2	2,272	2,274	.1	14,000 18,000+	0	540	540	-	2,814	2	.1
	b19	237	88	325	72.9	(c)	11	1	12	91.7	337	248	73.6
	Total	1,173	20,484	21,657	5.4		234	15,654	15,888	1.5	37,545	1,407	3.7
NATIONAL SCIENCE FOUNDATION	1-4	4	119	123	3.3	Up to $6,999	0	0	0	-	123	4	3.3
	5-7	10	302	312	3.2	7,000 8,999	1	4	5	20.0	317	11	3.5
	8-12	6	205	211	2.8	9,000 13,999	0	9	9	-	220	6	2.7
	13-18	3	392	395	.8	14,000 18,000+	0	1	1	-	396	3	.8
	b19	3	29	32	9.4	(c)	0	1	1	-	33	3	9.1
	Total	26	1,047	1,073	2.4		1	15	16	6.3	1,089	27	2.5

	White collar employees[a]						Blue collar employees						
Agency	GS grade level	Part-time and inter-mittent +	Full-time =	Sub-total	Part-time % of subtotal +	Salary	Part-time and inter-mittent +	Full-time =	Sub-total	Part-time % of subtotal	= Total employ-ees	Total part-time and intermittent	Part-time and intermittent % of total
OMB	1- 4	0	13	13	-	Up to $6,999	0	0	0	-	13	0	-
	5- 7	4	102	106	3.8	7,000 8,999	1	8	9	11.1	115	5	4.3
	8-12	1	166	167	.6	9,000 13,999	0	10	10	-	177	1	.6
	13-18	0	286	286	-	14,000 18,000+	0	0	0	-	286	0	-
	b19	21	9	30	70.0	(c)	0	0	0	-	30	21	70.0
	Total	26	576	602	4.3		1	18	19	5.3	621	27	4.3
TENNESSEE VALLEY AUTHORITY (note d)													
U.S. POSTAL SERVICE	1- 4	0	0	0	-	Up to $6,999	10	187	197	5.1	197	10	5.1
	5- 7	0	0	0	-	7,000 8,999	436	7,068	7,504	5.8	7,504	436	5.8
	8-12	0	0	0	-	9,000 13,999	906	25,333	26,239	3.5	26,239	906	3.5
	13-18	0	0	0	-	14,000 18,000+	2	672	674	.3	674	2	.3
	b19	81,973	545,819	627,792	13.1	(c)	0	11	11	-	627,803	81,973	13.1
	Total	81,973	545,819	627,792	13.1		1,354	33,271	34,625	3.9	662,417	83,327	12.6
VETERANS ADMIN-ISTRATION	1- 4	1,926	46,524	48,450	4.0	Up to $6,999	1,525	5,397	6,922	22.0	55,372	3,451	6.2
	5- 7	926	38,444	39,370	2.4	7,000 8,999	2,874	15,743	18,617	15.4	57,987	3,800	6.6
	8-12	1,033	20,766	21,799	4.7	9,002 13,999	238	13,481	13,719	1.7	35,518	1,271	3.6
	13-18	108	4,351	4,459	2.4	14,000 18,000+	146	779	925	15.8	5,384	254	4.7
	b19	16,451	27,707	44,158	37.3	(c)	108	188	296	36.5	44,454	16,559	37.2
	Total	20,444	137,792	158,236	12.9		4,891	35,588	40,479	12.1	198,715	25,335	12.7
TOTAL		165,936	1,742,997	1,908,933	8.7		15,233	488,810	504,043	3.0	2,412,976	181,169	7.5

[a] This type of information is not normally prepared by the individual agencies. These figures, the latest available, were provided by CSC.

[b] Other white collar.

[c] Unspecified salaries.

[d] Information not provided by CSC.

SOURCE: Computer printout from CSC's central personnel data file.

DISTRIBUTION OF TOTAL PART-TIME EMPLOYMENT

BY AGE GROUPING AS OF NOVEMBER 30, 1977 (notes a and b)

Agency	Age grouping 20 and under	21-25	26-30	31-35	36-40	41-50	51 and over	Total
ACTION	33	0	0	1	1	0	0	35
CSC	73	62	24	13	11	9	15	207
AGRICULTURE	941	692	525	296	283	550	499	3,786
DEFENSE	338	68	19	15	13	18	12	483
ARMY	2,064	282	163	110	79	139	86	2,923
NAVY	1,214	454	266	250	213	442	232	3,071
AIR FORCE	768	122	78	76	75	105	76	1,300
DEFENSE SUPPLY AGENCY (note c)								
HEW	1,632	518	348	285	210	470	528	3,991
HUD	88	29	20	18	15	27	44	241
INTERIOR	255	302	284	160	159	323	397	1,880
LABOR	121	51	32	16	10	21	29	280
JUSTICE	331	150	61	23	17	26	16	624
TREASURY	733	546	219	117	105	149	115	1,984
ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION	63	9	7	8	6	20	10	123
GENERAL SERVICES ADMINISTRATION	247	65	41	26	26	60	39	504
NATIONAL SCIENCE FOUNDATION	0	6	6	1	1	3	6	23
OMB	3	1	0	3	1	1	0	9
TENNESSEE VALLEY AUTHORITY (note c)								
U.S. POSTAL SERVICE	12,535	13,125	7,487	4,601	4,400	10,335	9,405	61,888
VETERANS ADMINISTRATION	2,067	2,415	6,595	3,726	1,777	2,860	2,143	21,583
TOTAL	23,506	18,897	16,175	9,745	7,402	15,558	13,652	104,935

[a] Includes white- and blue-collar employees.

[b] This type of information is not normally prepared by the individual agencies. These figures, the latest available, were provided by CSC.

[c] Information not provided by CSC.

SOURCE: Computer printout from CSC's central personnel data file.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

August 27, 1975

Mr. Forrest R. Browne
Director, Federal Personnel
and Compensation Division
U. S. General Accounting Office
441 'G' Street, N.W., Room #4001
Washington, D.C. 20548

Dear Mr. Browne:

This is in response to your request for comment on the subject draft report (B-159950) concerning the elimination or relaxation of personnel ceilings for part-time employees on a test basis.

We certainly agree with the emphasis in the draft report on the desirability of part-time employment and on the need to find appropriate ways to make it easier for part-time employees to be hired. However, we are not at all certain that the central personnel ceilings are producing the problems outlined in your report.

As the report suggests, one way to determine the validity of the premise is to test the effect on operations of removal of employment ceilings. Five years ago the Navy Department under "Project REFLEX" tested the effect of elimination of employment ceilings on the operation of certain laboratory facilities. The results were inconclusive. The General Services Administration is now undertaking a project to test the idea in agencies outside the Defense Department.

It is our view that many of the problems discussed in the draft report result from a failure to take advantage of the considerable flexibility that exists under the current ceiling system. We believe that the personnel ceiling system can accommodate the varying needs of agencies, especially for part-time employment. First, when an agency's employment ceiling is set during the fall budget process, consideration is given to requests for part-time and temporary employment commensurate with the agency's perceived needs to cover periods of unusual workloads. Second, ceilings are provided to the agency as a whole, and each agency head has discretion to allocate and reallocate that ceiling among the bureaus and elements of the agency. Finally, the personnel ceiling is applicable only to one day out of the year--June 30. The agency head can (within dollar limitations) exceed that ceiling during the year so long as the ceiling can be reached in an orderly manner by the end of the year.

However, employment ceilings exist to constrain increases, primarily because of the proper concern of the President, many members of Congress, and the public in the number of employees on the Federal payroll, regardless of any other considerations. Without ceilings, there would be no effective control over these numbers, and employment probably would increase at a faster pace than is now the case. Even with ceilings on part-time and temporary employment, their numbers (Executive Branch less Postal Service) have increased by 40,000 (or 27%) over the last four years. Full-time permanent employment has declined by 40,000 over the same period.

In summary, we believe that it is fundamentally desirable to control the number of employees on the Federal payroll and that the present system provides the necessary flexibility for agency heads to accommodate the needs of their agencies for peak loads for part-time employment. The 40,000 increase in part-time and temporary employment over the last four years gives some indication of the present ceiling system's ability to provide for new needs through this means. We do not believe that further relaxation of these ceilings is necessary to accommodate the objectives that the report addresses.

Sincerely yours,

James T. Lynn

James T. Lynn
Director

UNITED STATES CIVIL SERVICE COMMISSION
WASHINGTON, D.C. 20415

IN REPLY PLEASE REFER TO

YOUR REFERENCE

August 27, 1975

Mr. David P. Sorando, Acting Director
Federal Personnel and
Compensation Division
United States General Accounting Office
Washington, D.C. 20548

Dear Mr. Sorando:

Thank you for giving us the opportunity to review and comment on the draft of your report to the Congress on part-time employment in Federal agencies.

Your report presents a comprehensive overview of part-time employment with emphasis on its advantages and flexibilities. We note, too, your recognition of the Commission's role in furthering part-time job opportunities. We have long favored maximizing such opportunities on the basis that they offer significant benefits and returns not only to the employee, but to the agency as well.

In view of our longstanding support for part-time employment, we were troubled by statements in your report that some agency officials (albeit only a few) consider our policies and regulations as restricting the most effective use of part-time employees. We are not aware of anything in our regulations, policies, or instructions to agencies that would support such a view. A review of the statements of the officials concerned leads us to believe that they may lack a clear understanding of what is meant by "part time" in the context of Federal employment. We note, too, that your report sometimes confuses part-time, intermittent, and temporary employment. We would therefore like to use this opportunity to clarify what is meant by part-time employment.

Part-time employment is recognized by the Commission as any regularly recurring work that is less than full time. It is, therefore, nothing more than a tour of duty (as is full time and intermittent) and should not be confused with kinds of appointments, such as temporary limited, term, or career conditional. Inasmuch as all agencies determine the tours of duty of their employees independant of any Commission control, it is difficult to see how the Commission's policies and regulations could properly be singled out as hampering part-time employment.

THE MERIT SYSTEM—A GOOD INVESTMENT IN GOOD GOVERNMENT

2.

We have made several comments and suggested revisions on the attached copy of the draft you sent us.

[See GAO note 2, p. 30.]

Certainly, we have seen no evidence that our policies and regulations in any way restrict the full and proper use of part-time workers. On the contrary, we have taken the lead in encouraging agencies to consider part-time workers and our procedures to permit their employment are flexible and consistent with merit principles. Significantly, these recommendations are based on the statements of just three agency officials and the examples they cite (page 21 of your report) have to do with our restrictions to prevent abuses in the use of temporary limited appointments whether for full-time, part-time, or intermittent duty.

[See GAO note 2, p. 30.]

[See GAO note 2.]

We hope this puts this matter in proper perspective. Should you have any questions concerning any of our comments, or any other aspect of part-time employment, please contact our Office of Staffing Policies on 632-6817.

Sincerely yours,

Raymond Jacobson

Raymond Jacobson
Executive Director

Attachment

GAO notes: 1. Page references in this appendix may not correspond to page numbers in the final report.

2. Sections that deal with matters no longer contained in this report have been omitted.

ACTION
WASHINGTON, D.C. 20525

August 7, 1975

Mr. Gregory J. Ahart
Director
Manpower and Welfare Division
United States General Accounting Office
Washington, D. C. 20548

Dear Mr. Ahart:

We received your draft report to Congress regarding the way in which part-time employees are used in the Federal Government.

In reviewing the relative advantages and disadvantages listed in your study we agree and support your position that many of the disadvantages would be eliminated if OMB removed agency ceilings for part-time employees. In fact, we would suggest that there might be even greater value if OMB abolished all ceilings, including personnel slots and average grades and, instead of the current system, became concerned only with budgets to agency management which were based on the program goals and requirements. Under this proposal agency management would then become responsible for assuring that the goals were accomplished within the budget allocation and the question of accountability would rest clearly and precisely with agency management and not be shared with OMB because of inappropriately allocated ceiling authorizations. Obviously Congress and OMB would still maintain vital control over agency management through a budget allocation process which focused on the amount of money it took to accomplish a task instead of the irrelevant criteria of how many employees were required. This proposal would very likely have its own effect on lowering the federal average grade structure and the number of permanent federal employees and in all likelihood increase the use of part-time employees if managers were measured against goals and budget.

PEACE CORPS • VISTA • UNIVERSITY YEAR FOR ACTION • NATIONAL STUDENT VOLUNTEER PROGRAM
FOSTER GRANDPARENTS • RETIRED SENIOR VOLUNTEERS • SERVICE CORPS OF RETIRED EXECUTIVES • ACTIVE CORPS OF EXECUTIVES

If you would like to discuss these proposals please call Philip Bourbon, Director of Personnel.

We are pleased to have been a part of your study.

Sincerely,

Willard Meinecke
Assistant Director for
Administration and Finance

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON D C 20250

September 15, 1975

Mr. Henry Eschwege, Director
Resources and Economic
Development Division
General Accounting Office
Washington, D.C. 20548

Dear Mr. Eschwege:

Here are our comments on your draft report on the use of part-time employees in Federal agencies (B-159950).

The need to study the effective use and control of other than full-time employees is great and your report respresents a good start. We believe, however, that an additional indepth study with statistics to support conclusions is indicated. For an example, a belief that part-time employees are more productive or that the use of such employees reduces personnel costs through reduced overtime and fringe benefits should be supported by statistics which clearly show that these conclusions are or are not supportable.

Commenting on your recommendations, USDA managers agree that ceilings are an ineffective means of controlling the number of part-time employees. Available funds and program requirements should and do generally control the actual hires. However, the presence of end-of-year ceiling restrictions does force agencies to reduce employment to ceiling levels even though this action may not be reflective of program needs. Eliminating ceiling restrictions on part-time employment would eliminate the paperwork required to control ceilings and would not, in our view, result in a significant increase in part-time employment.

[See GAO note 2, p. 30.]

We believe the CSC could permit much greater flexibility in filling temporary jobs which are limited to a year or less in duration without affecting basic merit principles.

Henry Eschwege 2

[See GAO note 2, p. 30.]

Thank you for the opportunity to comment on this report.

Sincerely,

[illegible]
[illegible] Assistant Secretary,
for Administration

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20201

August 21, 1975

Mr. Gregory J. Ahart
Director, Manpower and Welfare
Division
General Accounting Office
Washington, D. C. 20548

Dear Mr. Ahart:

Thank you for sending us a copy of your proposed report on part-time employment in Federal agencies. We are glad to note that attention is being focused on this matter, and we appreciate the opportunity to comment on the report.

In general, we agree with the recommendations in the report, particularly the ones relating to the relaxation or modification of employment ceilings for part-time employees. Some action in this regard is essential if the use of part-time workers is to gain support. As long as a part-time employee is counted, for ceiling purposes, on the same basis as a full-time employee serving in a temporary position, offices will be reluctant to utilize part-time workers. A limitation on dollars available for other than full-time employment rather than a ceiling limitation would provide greater flexibility.

With respect to the policies and regulations of the Civil Service Commission, we think the problems involved could be more clearly presented if the report separated for discussion purposes part-time employment under career appointments and part-time employment under temporary appointments. Also, a distinction needs to be made between persons who have a regular tour of duty, although part-time, and those who work on an intermittent basis. The type of appointment (career or temporary) and the duty basis (regular or irregular) must both be considered in determining appropriate methods of appointment and the fringe benefits to which employees are entitled. Several of the problems discussed on pages 20-22 of the report are related to temporary appointments, whether part-time or full time. The methods to be used in recruiting and appointing persons for part-time employment present

Page 2 - Mr. Gregory J. Ahart

problems of a peculiar type and these need to be addressed independent of the career/temporary appointments associated with full-time workers.

We do not think the proposed report gives sufficient recognition to the management problems involved in utilizing part-time employees, and therefore we want to include in our comments a word of caution. Though part-time workers can be used to great advantage in many situations, the work environment and the nature of the duties must be carefully considered in determining where the employment of part-time personnel is feasible.

Sincerely yours,

John Ottina
Assistant Secretary for
Administration and Management

GAO note: Page references in this appendix may not correspond to page numbers in the final report.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410

OFFICE OF THE ASSISTANT SECRETARY
FOR ADMINISTRATION

August 13, 1975

IN REPLY REFER TO:
APP

Mr. Henry Eschwege
Director
Resources and Economic
Development Division
U. S. General Accounting Office
Washington, D. C. 20548

Dear Mr. Eschwege:

Secretary Hills has asked me to respond to your letter of July 22, 1975, transmitting for comment a draft report to the Congress on part-time employment in Federal agencies.

We have found part-time employment to be of considerable value in providing staffing flexibility to meet ongoing and changing workload requirements. We are particularly impressed with the contribution made by part-time professionals to our mission accomplishment, as indicated in your report. Although opportunities for part-time professional employment are open to all qualified candidates, most of our part-time professionals are women many of whom have reentered employment after meeting family obligations.

We appreciate the opportunity to comment on your draft report.

Sincerely,

Thomas G Cody
Thomas G. Cody
Assistant Secretary

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

August 26, 1975

Dear Mr. Browne:

The draft of the Comptroller General's Report to the Congress on Part-Time Employment in Federal Agencies has been carefully reviewed. We particularly endorse the statements contained on page 23 of the draft pertaining to the adverse managerial effects of the present rigid personnel ceiling system. All too frequently, personnel ceilings are at variance with program authorizations and funding. This situation can lead to diseconomy and reduced program effectiveness. Specific comments on the draft are as follows:

1. Eliminating or Relaxing Personnel Ceilings for Part-Time Employees.

We concur in the recommendation that the Director, Office of Management and Budget, consider eliminating or relaxing personnel ceilings for part-time employees on a test basis to allow agencies the flexibility of using -- within limits of their available funds -- sufficient numbers of part-time employees to provide a work force of trained personnel to meet recurring seasonal employment needs.

[See GAO note 2, p. 30.]

CONSERVE
AMERICA'S
ENERGY

Save Energy and You Serve America!

We appreciate the opportunity to review and comment on the proposed draft.

Sincerely yours,

For Director of Audit and Investigation

Mr. Forrest R. Browne
Director
Federal Personnel and
Compensation Division
General Accounting Office
Washington, D.C. 20548

GAO note: Page references in this appendix may not correspond to page numbers in the final report.

UNITED STATES DEPARTMENT OF JUSTICE
WASHINGTON, D.C. 20530

Address Reply to the
Division Indicated
and Refer to Initials and Number

October 23, 1975

Mr. Victor L. Lowe
Director
General Government Division
United States General Accounting Office
Washington, D.C. 20548

Dear Mr. Lowe:

This letter is in response to your request for comments on the draft report titled "Part-Time Employment in Federal Agencies."

Based on the Department's past experience, we believe the report accurately depicts the use of part-time employment in the Federal Government. The advantages and disadvantages of utilization of part-time employees, which are catalogued in the report, are representative of experience with this category of employees within the Department of Justice.

Insofar as the proposed recommendations to the Civil Service Commission (CSC) are concerned, we agree that some modifications to existing restrictions on the employment of part-time and temporary employees are warranted. For example, the present restriction on agency use of "temporary 700 hour appointments" during the summer months should be lifted. In addition, it is felt that the authority to administer the Summer Employment Examination should be delegated to agencies, and further, that agencies be given authority to administer the examination on a walk-in basis. At the present time, prospective applicants for summer positions must apply to take the written test no later than January 17th. Such tests are administered by CSC examining offices. It is felt that the present procedure is overly burdensome to agencies and prospective summer applicants as well. Under present requirements, most prospective summer applicants are unaware of the early filing deadlines and therefore are precluded from consideration once such deadlines are passed.

Of particular interest is the recommendation concerning the present control mechanism exerted on agencies by the Office of Management and Budget (OMB) through the imposition of rigid personnel ceilings which, in the words of the report, "... deprive agency management of options for accomplishing efficient work through the most effective and economical use of the appropriate type of manpower in specific circumstances." We agree with the report's conclusion that funding limitations would provide an equally effective means of controlling the overall number of persons who can be hired and concur with the GAO recommendation that OMB consider eliminating or relaxing personnel ceilings for part-time employees at least on a test basis.

[See GAO note 2, p. 30.]

We appreciate the opportunity given us to comment on the draft report. Should you have any further questions, please feel free to contact us.

Sincerely,

for

Glen E. Pommerening
Assistant Attorney General
for Administration

NATIONAL SCIENCE FOUNDATION
WASHINGTON, D.C. 20550

August 15, 1975

Mr. Gregory J. Ahart
Director, U. S. General
  Accounting Office
Washington, D. C. 20548

Dear Mr. Ahart:

The National Science Foundation has reviewed the draft report on part-time employment in Federal agencies and submits the following comments for your consideration.

We are in agreement with your recommendation that the Office of Management and Budget experiment with relaxed personnel ceilings in order to facilitate the hiring of part-time employees. However, it has been the Foundation's experience that the real limitation on the hiring of part-time personnel is the availability of PDM funds, since we have generally been operating under ceiling due to fund limitations.

[See GAO note 2, p. 30.]

Sincerely yours,

Eldon D. Taylor
Assistant Director
for Administration

PRINCIPAL OFFICIALS RESPONSIBLE FOR ADMINISTERING ACTIVITES DISCUSSED IN THIS REPORT

	Tenure of office	
	From	To
CIVIL SERVICE COMMISSIONS		
CHAIRMAN:		
Robert E. Hampton	Jan. 1969	Present
OFFICE OF MANAGEMENT AND BUDGET		
DIRECTOR:		
James T. Lynn	Feb. 1975	Feb. 1975
Roy L. Ash	Feb. 1973	Feb. 1975
Casper W. Weinberger	June 1972	Feb. 1973

Senator NELSON. We next have a panel of witnesses, industry panel, from Control Data Corp., Dick Sommerstad, director, flexible hours employment program; Northwestern Mutual Life Insurance Co., M. E. Jacobson, vice president for personnel, and Jim Ehronstrom, director of flexitime program; The Nestle Co., Russell Boekenheide, vice president for personnel, Henry G. Ciocca, assistant counsel, and Brian McDonald, personnel manager.

If you would come to the table, please.

Senator Mondale has asked me to extend to Mr. Sommerstad of Control Data Corporation his regrets that he could not be here this morning. The Labor Committee, of which I am also a member, is engaged in a markup session which requires his attendance.

At this point we will insert in the record a statement by Senator Mondale.

STATEMENT OF HON. WALTER F. MONDALE, A U.S. SENATOR FROM THE STATE OF MINNESOTA

Senator MONDALE. Mr. Chairman, a job that satisfies our needs—whether it be by providing enough money, flexible working hours, good benefits, or just plain satisfaction, is what everyone of us would like to have.

I am delighted to be able to say that my own State of Minnesota is a leader in providing alternative working patterns to better meet the needs of working men and women.

Mr. Dick Sommerstad of the Control Data Corp. in Minneapolis, Minn., is a witness at today's hearings.

Mr. Sommerstad started working for Control Data in 1968 as a personnel manager, a position in which he became familiar with the needs of individual employees. In 1971, Dick went to the folks at Control Data and urged them to institute the concept of "flex time." Flex time had been used in Germany for a number of years and was demonstrated to be very satisfying, successful, and popular with both employers and employees.

Control Data in Minnesota was the first American company to institute flex time and Dick Sommerstad was the man who brought the concept to Control Data, to Minnesota—in fact, to American industry. Since 1971 Control Data and Dick Sommerstad have helped over 2,000 other American companies institute the flex time concept.

This program, along with other experimental programs that Control Data has have proven very very successful.

Senator NELSON. On behalf of Senator Mondale, Mr. Sommerstad, the committee welcomes you, as well as all the other witnesses.

Mr. JACOBSON. Our company has just one statement, Mr. Chairman.

Senator NELSON. Well, we will print all the statements in full in the record, and we will start with the Control Data Corp.

You may present your statement however you desire, summarize or read it.

STATEMENT OF CARL RICHARD SOMMERSTAD, MARKETING MANAGER, FLEXIBLE HOURS EMPLOYMENT PROGRAM, CONTROL DATA CORP., MINNEAPOLIS, MINN.; MILFORD E. JACOBSON, VICE PRESIDENT FOR PERSONNEL, AND JIM EHRONSTROM, DIRECTOR OF FLEXITIME PROGRAM, NORTHWESTERN MUTUAL LIFE INSURANCE CO., MILWAUKEE, WIS.; AND RUSSELL W. BOEKENHEIDE, VICE PRESIDENT FOR PERSONNEL; HENRY G. CIOCCA, ASSISTANT COUNSEL; AND BRIAN McDONALD, PERSONNEL MANAGER, THE NESTLÉ CO., WHITE PLAINS, N.Y.; A PANEL

Mr. SOMMERSTAD. My brief testimony will cover three alternate methods of work at Control Data Corp. They are the flexible work hours program, bindery operation, designed to employ part-time personnel on short regular shifts, and a clerical pool made up of part-time and temporary personnel.

During the fall of 1971, Control Data began to examine the concept of alternate work patterns as an outgrowth of a special top management study of the corporate mission in relation to quality of life. As a result, the following programs were established:

On April 1, 1972, Control Data initiated two flexible work hours pilot programs involving approximately 1,300 employees in all job classifications representing a cross-section of functions among diverse organizations within Control Data. The organizations included manufacturing, research and development, marketing, services, insurance, data centers, maintenance, and financial.

These pilot programs were established in such a manner that individual employees or groups of employees were permitted to vary their specific report-to-work and depart-from-work times, so long as the normal workday was not altered, and business conditions and the workflow were not disrupted. Workweek length, workday length, lunch-break length, normal company policies and procedures, and the established working conditions were not intended to be changed by this program.

There were four modes of flexibility defined and utilized—summer work hours, group flexibility, staggered start times, and individual flexibility.

The responsibility for establishing the specific flexible work hours program for each division of Control Data was delegated to the division general manager to be redelegated to each manager within the division. It was felt that the first-line managers in all cases were best equipped to make the various scheduling decisions in light of the kind of operation or function performed. The first-line manager was charged with the responsibility of maximizing each individual employee's personal preferences in hours of work approved without any loss in productivity.

The pilot programs resulted in the following positive advantages: Improved attitudes, morale and productivity, less traffic congestion and tardiness, and more leisure time.

Other factors that were somewhat or temporarily improved included: Reduced absenteeism, better communication between shifts and departments, less sick leave utilization, greater management flexibility, and an additional plus in attracting new employees to Control Data.

There were no negative results observed in this pilot program, even though at one point it was predicted that there would be a loss in management control, productivity, communications between shifts and departments, and employees would abuse their rights, and frequent abuses would be commonplace.

As a result of the successfully documented pilot programs, Control Data expanded the flexible work hours program to all of its worldwide operations on July 1, 1973.

One of the latest surveys conducted within Control Data indicates that among approximately 25,000 domestic U.S. employees, 77.2 percent were utilizing one of the four modes of flexibility—summer work hours, 2.3 percent; group flexibility, 7.9 percent; staggered work hours, 18.6 percent; individual flexibility, 23 percent; and a combination of these four, 25.4 percent.

Senator NELSON. What does individual flexibility mean?

Mr. SOMMERSTAD. Individual flexibility is where employees, upon approval of their managers, and within a predetermined start timing range, are allowed to come and go each day at a specific time as long as they work their 8 hours a day, or normal workday.

Senator NELSON. They could or could not alternate that time on a daily basis?

Mr. SOMMERSTAD. Yes; they could alternate on a daily basis.

Senator NELSON. I see.

Mr. SOMMERSTAD. But they had to work the minimum workday.

Senator NELSON. Did you have any shared-time jobs where two people were filling one job?

Mr. SOMMERSTAD. No, Senator, we did not in this particular program.

Senator NELSON. You have not experimented with that?

Mr. SOMMERSTAD. Not with shared jobs; no, sir.

Flexible work hours affected starting times of Control Data employees throughout the United States in the following manner: Thirty-seven percent of our employees did not appreciably change their report-to-work times; 10 percent changed their report-to-work times to later than normal starting times; and 53 percent changed their report-to-work times to earlier starting times.

The overall conclusion drawn by Control Data is that the flexible work hours program is favorably received by both management and nonmanagement employees, and positively influences the employees' quality of life without any loss in productivity.

A significant amount of aspects of the Control Data flexible work hours program were not able to be detailed in this brief summary. Those include—

Statistical analysis reports;

Comparison of management and nonmanagement attitudes towards flexible work hours;

The summary of responses differentiated by levels of management;

Specific employee statements in regards to their feelings about flexible work hours;

Control Data Corp.'s administrative procedures;

Control Data Corp.'s implementation plans;

Specific trends observed within the Control Data flexible work hours program; and

A variety of the pilot program's outlines.

In the late 1960's, Control Data Corp., in conjunction with the St. Paul Urban Coalition, conducted a survey of the Selby area of St. Paul, Minn., which revealed a need for additional employment in that particular area. Specifically, jobs were needed for—

Mothers with a need to supplement the family income;

Female heads of households with school-aged children; and

High school, vocational, and college students with a need for income to stay in school or supplement the family income.

With this employment concept in mind, Control Data Corp. decided to open a facility in the St. Paul-Selby area specifically designated to employ part-time and temporary employees that met the above-mentioned criteria as a subelectronic assembly plant.

In 1971, Control Data changed the emphasis of this operation from subelectronic assembly to a bindery operation, with the idea of implementing a cost-saving measure related to the bindery needs of the company.

In 1973, due to the success of the part-time operation, Control Data management approved a new facility for the Selby operation.

Construction of the 15,000-square-foot facility was completed in February of 1974. The plant was built largely by minority-owned contracting firms and is presently managed by a minority staff.

The Selby operation now accommodates a bindery operation business volume now approaching $500,000 annually and involves in excess of 7 million pieces of paper per month. The operations collate, bind, and mail computer manuals and documents provided by Control Data to its customers, and on a contract basis, provides binding and mailing services for various Twin City business firms and Government organizations.

The Selby operations current work force involves three shifts, 8:30 a.m. to 2 p.m., 2:30 p.m. to 5:30 p.m., and 6 p.m. to 10 p.m., 5 days per week.

The work force is comprised of 110 part-time employees, 21 temporary employees, and 8 full-time employees. Approximately 90 percent of the work force are minority employees. The majority of the work force today is comprised of mothers with school-aged children with a need to supplement the family income.

In addition to the cost savings for Control Data and because of the number of female heads-of-households employed who receive some sort of public assistance, the Selby operation has also provided a needed benefit to the community and to the State of Minnesota. The overall success of the Selby operation is attributed largely to the combination of efforts provided by the local community, State and Federal agencies, and Control Data's top management.

Senator NELSON. I had asked earlier whether Control Data had any shared job time, and I understood you to say no.

In the Selby operation, you do, do you not?

Mr. Sommerstad. In this operation, if you wish to call it shared jobs yes, there are actually three shifts, and employees work on one of those shifts——

Senator Nelson. Maybe I used the wrong designation.

What are the three shifts?

Where you have them back here—3 hours, 4 hours, and about 6 hours?

Mr. Sommerstad. Yes.

Senator Nelson. What you have, I call it a shared job, and maybe that is not correct, but what you have is an employee on a schedule for less than a regular 8-hour day, three different schedules, designed, I take it, to permit people to have a certain amount of time available to take and hold one of those jobs.

Mr. Sommerstad. That is correct.

Senator Nelson. So a mother with a school-age child may be able to work during school hours but has to be home in the morning or after school, and you are attempting to accommodate that kind of problem?

Mr. Sommerstad. That is exactly correct, yes.

Senator Nelson. Thank you.

Is there any special problem in the administration of that kind of schedule?

Mr. Sommerstad. We have not found any problems that cannot be resolved.

Senator Nelson. And sick leave, time lost, that sort of thing, does not create any special problem with this?

Mr. Sommerstad. No.

As a matter of fact, their records are better than the records of full-time operations.

Senator Nelson. Better than the records of the full-time operations?

Mr. Sommerstad. Yes.

Less absenteeism.

Senator Nelson. Productivity, no problem there?

Mr. Sommerstad. No, sir. Very good productivity.

Senator Nelson. Thank you.

Go ahead.

Mr. Sommerstad. Control Data's clerical pool of part-time and temporary employees.

Approximately 3½ years ago, control data implemented what is known today as the clerical pool. The original purpose of the clerical pool was to provide needed clerical support because of employee absences, vacations, and sick leave.

The original intent of this policy was for the temporary, part-time people to be placed as a resource at the disposal of the various personnel departments within the Control Data corporate headquarters complex to be utilized by any of the various divisions located at this complex.

The pool was formed with approximately four or five job categories. From that point on, the pool has expanded to approximately 20 to 25 different job classifications and titles—secretaries, clerk typists, personnel technicians, accounting clerks, manuscript typists, et cetera. The original intent is still being preserved in that requisitions for temporary help for short periods of time are being filled from the large variety of people located within this clerical pool on an oncall basis.

Once again, the purpose of this program was to cover for the various short-time needs of the corporation due to very common and excusable absences of employees. The intent today is to supplement the clerical resource within control data to the maximum extent possible.

To date, Control Data is utilizing approximately $250,000 annually in this clerical endeavor. The number hired to participate in the clerical pool ranges from 20 to 50 employees at all times, comprised of primarily female employees supplementing their family income or who, because of preschool-aged children, do not wish to be fully employed, or who prefer to work between the hours of 9 a.m. and 3 p.m., when their children are in school. The benefits to these part-time employees are commensurate percentagewise to the amount of time they work in relation to the normal 40-hour workweek.

In summation, I have tried to outline for the subcommittee three of Control Data's alternate patterns of work that have been operational over the last 5 to 10 years.

Control Data is most appreciative of having the opportunity to inform you of the variety of endeavors it has found useful and productive, and is also willing to share more detailed information with you or other members of other subcommittees or corporations upon your request.

Thank you, Senator.

Senator NELSON. Control Data is to be congratulated for its pioneering in this field.

I assume if we have some questions—we are trying to get through by 1 o'clock—that we could send them to you, and you will respond for the record?

Mr. SOMMERSTAD. Yes, sir. I would be happy to.

Senator NELSON. Thank you very much.

Next we will hear from Northwestern Mutual Life Insurance Co., Mr. Jacobson.

Mr. JACOBSON. Thank you, Mr. Chairman.

Mr. Ehrenstrom and I are happy to be here to talk briefly about flexible hours, the most visible step to improve working conditions our company has taken in the last ten years.

I will tell you how we got into the program, how it is working, its advantages and disadvantages, and make some observations on its effect primarily on productivity, morale and absenteeism.

First, a word about our company. Northwestern Mutual is 119 years old. Our home office is in Milwaukee. We are the seventh largest life insurance company, with more than $8 billion in assets. We have over $32 billion of life insurance in force. Our business is protecting the financial needs of over 1.2 million policyholders.

We specialize in individual life insurance—no group or casualty. We employ 2,000 home office people and are represented by a sales force of over 3,500 full time agents operating in 49 States. Investment operations are conducted from the home office in 18 mortgage loan and 6 real estate offices located around the country.

Our home office nonexempt employees are represented by the Office and Professional Employees International Union which is affiliated with the AFL-CIO.

Senator NELSON. What do you mean by nonexempt employees?

Mr. JACOBSON. They are employees covered by the provisions of regulations issued by the Wage and Hour Division of the U.S. Department of Labor pursuant to the Fair Labor Standards Act of 1938, as amended, and the Equal Pay Act of 1963. They are employees not exempted from the provisions of the above-mentioned regulations. At Northwestern Mutual these would be all of our nonmanagement people.

Senator NELSON. I see.

Mr. JACOBSON. Our consideration of variable—we use the term "variable" instead of "flexible"—hours came about in 1973 because we wanted to institute special summer hours but could not get agreement on what they ought to be. Some of us wanted more daylight hours for golf and outdoor activities but not everyone shared our enthusiasm.

This started us asking some different questions. "Does it really make any sense to require that everyone come to work and leave at the same time?" "Does it serve either the interests of the firm or its work force?" Our answer to both questions was no.

It became apparent that flexibility in work schedules is a key ingredient in satisfying the desire of all of us to influence our own lifestyle. So we set up a task force made up of one representative from each home office department. Their objective was to continue developing a responsive corporate environment by establishing work schedules that afford maximum selectivity and convenience to our home office employees compatible with operational and service requirements. Note the word "continue."

For years we have been working to create that climate which seems to be present in the most effective organizations—a climate of openness and trust where people are seen as responsible and trustworthy enough to be included in decisionmaking; where employees meet more of their needs which, in turn, helps the company better meet its goals.

We considered a number of approaches to the rearranged workweek, but variable hours kept bubbling up as the best alternative for us. Employees select the starting time they want, get the approval of the boss, and that becomes their regular work schedule. Our workday is 7½ hours.

The only stipulation was that no one could start earlier than 7 a.m., or later than 9 a.m. With 30 minutes for lunch, that gives us a "core" time of 9 a.m. to 3 p.m., when all full-time people are at work.

Just in case we were getting into something that could backfire, we decided to play it safe by testing the program for 6 months.

Incidently, we think 3 months is adequate. But we went for 6.

We were not expecting miracles—we tried to avoid raising the expectations of both the management and nonmanagement groups. We thought our people would like it, it would enhance their image of our company as a great place to work; that it might further improve morale, and possibly improve service to our policyholders and field force.

Throughout our 6-month trial period, which ran from October 1, 1973 through April 1, 1974, we measured the effectiveness of our program in terms of service, employee attitudes, supervisory attitudes, the reaction of union officials, tardiness, absenteeism and morale. We kept all employees informed as to how it was going.

We recognized early in the game that the major accountability for success of the experiment rested with the supervisors. We relied heavily on them to spot and resolve problems—both individually and as a group.

One additional comment about the union. We have kept them informed during the planning and experimental stages and have never had any resistance from them. It became obvious that they thought we had a winner from the start. This was important to us in view of some subsequent changes we made.

I have spent several of my precious 15 minutes on background because I believe it is important to get that into the record at these hearings. Just do not decide that next week in your company or Government office you will install some sort of flexible hours program. Before embarking on such a program you must first determine if you have a suitable environment in your organization; second, involve your total organization, not selected departments; and third, make your supervisors accountable for making variable hours work.

We have had variable hours as a way of life for 2½ years. They are great. Almost none of the administrative or operational problems we anticipated have developed.

An early task force report stated, "Often what appear to be insurmountable problems can be worked out by employees at their own level if given the opportunity." More job enrichment, if you will.

You know, some managers of my generation thought some of the present generation would choose late starting times because it is so hard for them to get out of bed. Right? Wrong. Exactly the opposite. Fifty percent of our people are at work before 7:30 a.m., and a whopping 80 percent of them are in before 8 a.m.

DISADVANTAGE OF VARIABLE HOURS

We have found nothing that has endured as a legitimate limitation to the success of the program. Minor issues popped up and had to be resolved; for example, inadequate phone coverage after 3:30 p.m.; apprehension over lack of supervision during certain workhours; some interdepartmental service slowed down; scheduling meetings was difficult; employees not understanding that this is a privilege, not a right, and must be compatible with workflow.

I think it requires a little rearrangement of attitudes. For example, someone will answer the phone after 3:30 in a work area, but it may not be the familiar voice we are used to hearing. Or perhaps we can schedule meetings earlier in the day so people will not walk out after 3 p.m. We need to be willing to alter some of the inflexible habits that we have gotten comfortable with.

ADVANTAGES OF VARIABLE HOURS

Our employees think it is marvelous. Jackie no longer sits at her desk reading a paperback from 7 to 8 a.m. because her husband drops her off on his way to work.

It has helped make recruitment of new employees easier.

It has kept NML in the forefront as a progressive employer in the State of Wisconsin.

Our employees get an ego lift by talking about it to their friends and acquaintances.

It has leveled out that 8 a.m. and 4 p.m. congestion around our building, particularly since a 42-story building has been constructed just across the street.

It spreads the traffic flow on city expressways and downtown streets.

Incoming mail is opened earlier, read, distributed and acted upon earlier in the day.

It provides an extra hour of telephone service to both east and west coasts.

It further developed our trust in people to do what is right.

Supervisors are delegating more management responsibility.

People see tangible evidence that they are influencing their work situation.

It is a boost to our affirmative action efforts—a boon to the working mother.

It stretches our imaginations—has made us more receptive to part-time jobs, job sharing and other innovative arrangements.

It has given a good boost to involvement in our company physical fitness program. People can work out their schedules easier and now have fewer valid excuses for avoiding exercise. They still come up with a lot of them, but they are not as valid.

EMPLOYEE ATTITUDES

Here are some results of a recent variable hours survey at Northwestern Mutual:

Should variable hours be kept or abandoned? Response: 88 percent said keep; only 2 percent said abandon.

And you always have 10 percent that do not know what they want.

Why did you change your hours?

Better fits my personal needs, 43 percent. Avoid traffic and parking problems, 23 percent. Better fits the needs of my family, 21 percent. Carpool did and I had to go along, 5 percent. Other, 8 percent.

What effect has the change had on your performance?

More effective, 32 percent. Less effective, 1 percent—one honest person, I guess. No change, 67 percent.

Supervisors were asked: What has been the effect of variable hours on the level of service provided by your division?

Increased the level of service, 36 percent. Decreased the level of service, 6 percent. No effect on the level of service, 58 percent.

You are talking about 94 percent of the supervisors saying it is just as good or better.

PRODUCTIVITY GAINS

This is a tough one. Our unit cost figures show that we are doing better with variable hours than we did without them. In 1975, two critical measures of cost—acquisition of new business and maintenance of business already on the books—were less than $100 of premium than in 1974. Some of the improvements, we think, but cannot say unequivocally, is due to variable hours.

ABSENTEEISM, INCLUDING SICK LEAVE

The first full year of variable hours, not counting the experimentation period, was 1975. Our number of days lost per employee, for all reasons, dropped from 5.8 in 1974 to 4.7 in 1975, the lowest average since 1969. That 4.7 days is 1.8 percent for those of you who are used to seeing absenteeism as a percent.

EMPLOYEE TURNOVER

Our nonexempt turnover in 1975 was 13.7 percent—the lowest since World War II. In 1968, our turnover was 33.9 percent, dropped to 17 percent by 1974, and then took another dip in 1975. For our side of business, these are rather dramatic figures, on the happy side.

TARDINESS

We almost do not have tardiness any more. Sounds inviting does it not? It used to be when someone was 10 minutes late, that was just lost time. Now the employee simply makes up the time. Too many instances, of course, and the supervisor just might suggest that they set a new starting time. The company no longer finances tardiness.

EXCUSED TIME

We also stopped subsidizing those extra long lunch hours that involve shopping trips, or dentist appointments, et cetera. If Joe has a dental appointment, he can keep it and make up the time that day or during that week. We now get 37½ hours per week on the job out of each full-time employee. Our employees keep themselves honest.

Variable hours are now part of the everyday climate at NML. They are good for our employees, and to paraphrase another businessman's testimony quite a few years ago, "What's good for the employees must be good for the company." And, I might add, it is such a bargain—it literally does not cost anything.

I urge this subcommittee to further examine flexible hours as a way of improving the quality of working life in America. Our experience is totally positive and one of the few changes introduced where nobody loses—everybody wins.

Thank you.

Senator NELSON. Thank you very much, Mr. Jacobson, for that very interesting testimony.

I am still confused as to what is the significance in this last sentence of the second paragraph as to nonexempt employees.

What does that mean?

Mr. JACOBSON. Nonexempt work generally is thought to include all work not expressly exempted by section 541.99 of the Fair Labor Standards Act, as amended in 1973.

The groups generally exempted from the minimum wage and overtime pay provisions of the act are executive, administrative, professional, and outside salespeople.

In application, if a particular job in question falls within the nonexempt classification, that is, if, the job is covered by the minimum wage and overtime pay provisions of the act, then any employee on that job must receive the minimum wage and must receive overtime pay for time worked in excess of 40 hours in any given week. While exempt employees can work extra hours without compensation, nonexempt employees must be compensated for all hours worked, including overtime for hours exceeding a 40-hour week.

Have I made that clear?

Senator NELSON. That wage and hour law limits your flexibility in the time schedule they may want to choose for themselves, is that correct?

Mr. JACOBSON. No.

This reference, I believe, was to the fact that we have a bargaining unit. We have a union. The union, of course, does not represent management—exempt—people. It can only represent nonmanagement—nonexempt—people. That is not so true any more with doctors and others, but basically the bargaining unit is composed of all nonexempt employees.

Now, management has always had certain prerogatives as far as coming into work, and there is some more flexibility there. This program is primarily aimed at nonexempt, or to use a term that I do not like any more, but maybe it is clearer—clerical employees.

Senator NELSON. You said that the union liked it?

Mr. JACOBSON. The union does——

Senator NELSON. They are participating anyway?

Mr. JACOBSON. Very much.

All of the bargaining unit people and all of our other employees are participating in this program.

Senator NELSON. There is nothing on the statutes respecting wage-and-hour minimums which affects your flexibility of this?

Mr. JACOBSON. Not in our case; no, sir.

Senator NELSON. Thank you very much for your very fine testimony explaining the experience of Northwestern Mutual. It is very valuable for the record.

Some of you may have schedules you want to meet, so do not feel bound to stay unless you wish to.

If we do have questions, I assume all of you would be willing to submit answers for the record.

If you wish to stay, you are welcome. If you have some other commitments, just feel free to leave.

Now, we will have the Nestlé Co., Russell Boekenheide.

Are you presenting the testimony?

Mr. BOEKENHEIDE. Yes, sir, I am.

Senator NELSON. Your statement will be printed in full in the record, and you can present it however you so desire.

Mr. BOEKENHEIDE. Thank you, Mr. Chairman.

Nestlé is headquartered in White Plains, N.Y., a small city in Westchester County, about 30 miles north of New York City.

Overall, we employ approximately 6,500 employees at over 20 separate facilities through the United States. We manufacture and market food products for the consumer.

I am accompanied here today by Mr. Bryan MacDonald, personnel manager, and Mr. Henry Ciocca of our legal staff. I have been invited here to testify about our experience with a "flexible hours" program and to help you and other members of this committee understand the workings of the program at Nestlé.

The Nestlé Co. first became familiar with the flexible hours concept during the spring of 1972. Two professors at a European management school, IMEDE, Profs. J. Gordon and A. O. Elbing, had written an article in a publication, the Business Quarterly, called "The Flexible Hours Workweek—European Trend Is Growing."

This piece came to the attention of the Nestlé management, and it was decided to investigate whether or not such a plan would be feasible for the company's headquarters operation in White Plains.

At that time, the facility employed approximately 650 exempt and nonexempt salaried employees performing a wide variety of managerial, professional, administrative, and clerical functions. No production and maintenance activities take place at this location. It is solely an office operation.

The personnel department was responsible for developing a plan proposal and reviewing it with supervision. The plan was to be kept simple. At best, the plan was to be one which would increase productivity—at the least, the plan was not to result in decreased productivity. The plan was to be beneficial to the company by helping it better attract, retain, and motivate qualified employees.

With these objectives in mind, a pilot program was designed and given a trial run in the summer of 1972. The plan was as follows:

Thirty-five hours of work was required of each employee week. On Monday through Thursday, all employees were required to be at work during a fixed period of time from 10 a.m. to 12 noon, and from 2 p.m. to 4 p.m. in the afternoon. They could start work at any time between 8 and 10 a.m. in the morning, and they could quit work at any time between 4 and 6 p.m. in the afternoon. They could go to lunch at any time between the hours of 12 and 2 p.m. A minimum half-hour lunch period was required.

The schedule was identical on Fridays with one exception. On that day employees could leave as early as 3 p.m.

I have attached an exhibit which graphically illustrates the schedule and lists certain other requirements involved.

A weekly work schedule sheet was prepared by each employee. It is also attached as exhibit B. These schedules were to be prepared by the employee on Thursdays to plan work for the following week. Each supervisor reviewed the schedule and, where necessary, adjusted it in accordance with departmental needs.

Timesheets—exhibit C—were prepared for all employees. Every employee, exempt and nonexempt, was to record starting and quitting times and lunchtime hours.

In-depth presentations to all managerial and supervisory personnel were followed by explanations to each employee, since proper communication and understanding was considered to be essential to the success of this kind of program.

Managers and supervisors were surveyed during the trial period for their reactions, first as supervisors, and then as employees. In summary, these responses were favorable, and the program was installed with one modification.

First modification, September 1972, exhibit D—It was discovered that practically all employees reported to work by 9:30 a.m. Therefore, the fixed hour requirement in the morning increased from 9:30 a.m. to 12 noon, and the flexible portion decreased from 8 a.m. to 9:30 a.m.

Second modification, exhibit E—A second modification was made on January 1, 1975. An audit of the system was made during early 1974, and it was found that the prescheduling portion of the plan was not being followed in all cases, and proper time-reporting procedures were not being followed in some instances. In addition, significant problems had developed in some part of the business where quick and continuous internal and external communications were necessary.

Accordingly, a task force was established to review the program in depth. After review with various personnel, the task force recommended that the program be continued since its contributions to employee morale outweighed certain of the program's disadvantages. The task force did suggest certain specific modifications which were subsequently adopted by management. The new schedule adopted is listed.

The fixed hours were increased from 9 a.m. to 12 noon, and from 1:30 to 4:30 p.m. The flexible starting time was changed to 8:30 to 9, and quitting time from 4:30 to 6. The flexible lunch hour from 12 to 1:30 continued.

Similar schedules were followed on Friday with the exception that the employees would have to work until 3:30 instead of 3 p.m.

In addition, enforcement of the prescheduling requirement was emphasized. A 35-hour workweek continued as a requirement.

At present, the flexible hours program continues to be one of the key elements in our personnel program at White Plains. We will continue to monitor this program, among others, to make sure that it meets employee preferences and company requirements.

In conclusion, we appreciate this opportunity to appear before the subcommittee.

I thank you, Mr. Chairman.

Senator NELSON. Did you make any survey as to time lost, sick leave, employee acceptability?

Have you done that at any stage?

Mr. BOEKENHEIDE. We did make some studies in the area of employee turnover to determine whether or not this was a factor in attracting and obtaining employees.

In the year 1972, our turnover was at 12.7 percent.

The following year, it increased to 15 percent. But it later decreased. However, we were never able to determine for certain that flexible hours contributed to decreased turnover.

Similarly, on absenteeism, we experienced no change in the first 1½ years of the program. During the last 2 years there was a significant decrease.

Senator Nelson. In sick leave?

Mr. Boekenheide. In absenteeism.

Senator Nelson. Absenteeism?

Mr. Boekenheide. Again we cannot necessarily determine the decline in absenteeism to the flexible hours system.

Senator Nelson. Do you have any measurement of any change in productivity?

Mr. Boekenheide. It is very difficult in an office environment to isolate productivity factors because of equipment changes and automated methods of handling several kinds of work.

I could make a subjective judgment that over this period of time our business volume and activity has increased substantially, and we have not had a commensurate increase in total employment. That has remained constant.

Senator Nelson. Do your supervisors have any of their own judgments about the morale, whether it affected morale one way or the other?

Mr. Boekenheide. I think the supervisor would say, in general, that the program does contribute to increased employee morale. Their own reaction to the program varies, because it poses different kinds of requirements on them in terms of their own scheduling of work and their own attendance at work. I think they view it positively as employees. Those employees who are in supervisory roles do not view it as positively when they have management responsibilities.

Senator Nelson. They get paid more anyway.

Thank you very much for you taking the time to come here today and for your very fine testimony.

Mr. Boekenheide. Thank you.

Senator Nelson. Did anybody else have anything they wanted to contribute?

I assume if the staff develops some questions to pursue that you would be willing to answer them in writing?

Mr. Boekenheide. Yes, sir.

[The prepared statements of Mr. Sommerstad, Mr. Jacobson, and Mr. Boekenheide follows:]

TESTIMONY BEFORE THE SENATE LABOR AND PUBLIC WELFARE SUBCOMMITTEE
ON
EMPLOYMENT, POVERTY, AND MIGRATORY LABOR

(CHANGING PATTERNS OF WORK IN AMERICA)

April 7, 1976

Presented By:

Carl Richard Sommerstad
Marketing Manager
Education Products and
Flexible Work Hours Coordinator
Control Data Corporation
P.O. Box 0
Minneapolis, Minnesota 55440

My brief testimony will cover three alternate methods of work at Control Data Corporation. They are the Flexible Work Hours Program, Bindery Operation, designed to employ part-time personnel on short, regular shifts, and a Clerical Pool made up of part-time and temporary personnel.

FLEXIBLE WORK HOURS PROGRAM

During the Fall of 1971, Control Data began to examine the concept of alternate work patterns as an outgrowth of a special top management study of the Corporate mission in relation to quality of life. As a result, the following programs were established.

On April 1, 1972, Control Data initiated two Flexible Work Hours Pilot Programs involving approximately 1,300 employees in all job classifications representing a cross section of functions among diverse organizations within Control Data. The organizations included Manufacturing, Research and Development, Marketing, Services, Insurance, Data Centers, Maintenance, and Financial.

These Pilot Programs were established in such a manner that individual employees or groups of employees were permitted to vary their specific report-to-work and depart-from-work times, so long as the normal work day was not altered and business conditions and the work flow were not disrupted. Work week length, work day length, lunch break length, normal Company policies and procedures and the established working conditions were not intended to be changed by this program.

There were four modes of flexibility defined and utilized; summer work hours, group flexibility, staggered start times, and individual flexibility.

The responsibility for establishing the specific Flexible Work Hours Program for each division of Control Data was delegated to the division general manager to be redelegated to each manager within the division. It was felt that the first line managers in all cases were best equipped to make the various scheduling decisions in light of the kind of operation or function performed. The first line manager was charged with the responsibility of maximizing each individual employee's personal preferences in hours of work approved without any loss in productivity.

The Pilot Programs resulted in the following positive advantages:

> Improved attitudes, morale and productivity, less traffic congestion and tardiness and more leisure time.

Other factors that were somewhat or temporarily improved included:

> Reduced absenteeism, better communication between shifts and departments, less sick leave utilization, greater management flexibility, and an additional plus in attracting new employees to Control Data.

There were no negative results observed in this Pilot Program, even though at one point it was predicted that there would be a loss in management control, productivity, communications between shifts and departments, and employees would abuse their rights and frequent abuses would be common place.

As a result of the successfully documented Pilot Programs, Control Data expanded the Flexible Work Hours Program to all of its worldwide operations on July 1, 1973. One of the latest surveys conducted within Control Data indicates that among approximately 25,000 Domestic U.S. employees, 77.2% were utilizing one of the four modes of flexibility (summer work hours, 2.3%; group flexibility, 7.9%; staggered work hours, 18.6%; individual flexibility, 23.0%; and a combination of these four, 25.4%). Flexible work hours affected starting times of Control Data employees throughout the United States in the following manner:

> Thirty-seven percent of our employees did not appreciably change their report-to-work times; ten percent changed their report-to-work times to later than normal starting times; and fifty-three percent changed their report-to-work times to earlier starting times.

The overall conclusion drawn by Control Data is that the Flexible Work Hours Program is favorably received by both management and non-management employees and positively influences the employee's quality of life without any loss in productivity.

A significant amount of aspects of the Control Data Flexible Work Hours Program were not able to be detailed in this brief summary. Those include:

- statistical analysis reports,
- comparison of management and non-management attitudes towards flexible work hours,

- the summary of responses differentiated by levels of management,
- specific employee statements in regards to their feelings about flexible work hours,
- Control Data Corporation's administrative procedures,
- Control Data Corporation's implementation plans,
- specific trends observed within the Control Data Flexible Work Hours Program, and
- a variety of the Pilot Program's outlines.

CONTROL DATA'S PART-TIME BINDERY OPERATION

In the late 1960's, Control Data Corporation, in conjunction with the St. Paul Urban Coalition, conducted a survey of the Selby area of St. Paul, Minnesota, which revealed a need for additional employment in that particular area. Specifically, jobs were needed for:

- Mothers with a need to supplement the family income,
- Female heads-of-households with school aged children, and
- High school, vocational and college students with a need for income to stay in school or supplement the family income.

With this employment concept in mind, Control Data Corporation decided to open a facility in the St. Paul Selby area specifically designated to employ part-time and temporary employees that met the above-mentioned criteria as a sub-electronic assembly plant.

In 1971, Control Data changed the emphasis of this operation from sub-electronic assembly to a bindery operation with the idea of implementing a cost saving measure related to the bindery needs of the Company.

In 1973, due to the success of the part-time operation, Control Data management approved a new facility for the Selby operation. Construction of the 15,000 square foot facility was completed in February of 1974. The plant was built largely by minority-owned contracting firms and is presently managed by a minority staff.

The Selby operation now accommodates a bindery operation business volume now approaching $500,000 annually and involves in excess of seven million pieces of paper per month. The operations collate, bind, and mail computer manuals and documents provided by Control Data to its customers and on a contract basis, provides binding and mailing services for various Twin City business firms and government organizations. The Selby operations current work force involves three shifts, 8:30 a.m. to 2:00 p.m.; 2:30 p.m. to 5:30 p.m.; and 6:00 p.m. to 10:00 p.m. five days per week. The work force is comprised of 110 part-time employees, 21 temporary employees and 8 full-time employees. Approximately 90% of the work force are minority employees. The majority of the work force today is comprised of mothers with school aged children with a need to supplement the family income.

In addition to the cost savings for Control Data and because of the number of female heads-of-households employed who receive some sort of public assistance, the Selby operation has also provided a needed benefit to the community and to the State of Minnesota. The overall success of the Selby operation is attributed largely to the combination of efforts provided by the local community, state and federal agencies, and Control Data's top management.

CONTROL DATA'S CLERICAL POOL OF PART-TIME AND TEMPORARY EMPLOYEES

Approximately three and one-half years ago, Control Data implemented what is known today as the Clerical Pool. The original purpose of the Clerical Pool was to provide needed clerical support because of employee absences, vacations, and sick leave. The original intent of this policy was for the temporary, part-time people to be placed as a resource at the disposal of the various personnel departments within the Control Data Corporate Headquarters Complex to be utilized by any of the various divisions located at this complex.

The Pool was formed with approximately four or five job categories. From that point on, the Pool has expanded to approximately twenty to twenty-five different job classifications and titles (secretaries, clerk typists, personnel technicians, accounting clerks, manuscript typists, etc.). The original intent is still being preserved in that requisitions for temporary help for short periods of time are being filled from the large variety of people located within this Clerical Pool on an on-call basis.

Once again, the purpose of this program was to cover for the various short-time needs of the Corporation due to very common and excusable absences of employees. The intent today is to supplement the clerical resource within Control Data to the maximum extent possible.

To date, Control Data is utilizing approximately $250,000 annually in this clerical endeavor. The number hired to participate in the Clerical Pool ranges from 20 to 50 employees at all times comprised of primarily female employees supplementing their family income or who because of pre-school aged children do not wish to be fully employed, or who prefer to work between the hours of 9:00 a.m. and 3:00 p.m. when their children are in school. The benefits to these part-time employees are commensurate percentage-wise to the amount of time they work in relation to the normal 40-hour work week.

In summation, I have tried to outline for the Subcommittee three of Control Data's alternate patterns of work that have been operational over the last five to ten years. Control Data is most appreciative of having the opportunity to inform you of the variety of endeavors it has found useful and productive and is also willing to share more detailed information with you or other members of other subcommittees or corporations upon your request.

Once again, we wish to thank you for this opportunity and will now entertain any questions from the Subcommittee.

/btr

STATEMENT OF MILFORD E. JACOBSON, VICE PRESIDENT-PERSONNEL, NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

My name is Milford E. Jacobson, Vice President-Personnel, representing the Northwestern Mutual Life Insurance Company, 720 East Wisconsin Avenue, Milwaukee, Wisconsin 53202. With me, also representing NML, is James W. Ehrenstrom, Manager of Industrial Relations and Personnel Development. We are happy to be here to talk briefly about flexible hours, the most visible step to improve working conditions our Company has taken in the last ten years. I will tell you how we got into the program, how it is working, its advantages and disadvantages and make some observations on its effect primarily on productivity, morale, and absenteeism.

First, a word about our Company. Northwestern Mutual is 119 years old. Our Home Office is in Milwaukee. We are the seventh largest life insurance company with more than 8 billion dollars in assets. We have over 32 billion dollars of life insurance in force. 1975 sales exceeded 4.6 billion dollars. Our business is protecting the financial needs of over 1.2 million policyholders. We specialize in individual life insurance -- no group or casualty. We employ 2,000 Home Office people and are represented by a sales force of over 3,500 full-time agents operating in 49 states. Investment operations are conducted from the Home Office and 18 Mortgage Loan and 6 Real Estate Offices located around the country. Our Home Office non-exempt employees are represented by the Office and Professional Employees International Union which is affiliated with the AFL-CIO.

Our consideration of variable (we use the term variable instead of flexible) hours came about in 1973 because we wanted to institute special summer hours but couldn't get agreement on what they ought to be. Some of us wanted more daylight hours for golf and outdoor activities but not everyone shared our enthusiasm. This started us asking some different questions. "Does it really make any sense to require that everyone come to work and leave at the same time?" "Does it serve either the interests of the firm or its workforce?" Our answer to both questions was "No."

It became apparent that flexibility in work schedules is a key ingredient in satisfying the desire of all of us to influence our own life style. So, we set up a task force made up of one representative from each Home Office Department. Their objective was: "To continue developing a responsive corporate environment by establishing work schedules that afford maximum selectivity and convenience to our Home Office employees compatible with operational and service requirements." Note the word, continue. For years we have been working to create that climate which seems to be present in the most effective organizations: A climate of openness and trust where people are seen as responsible and trustworthy enough to be included in decision making; where employees meet more of their needs which, in turn, helps the Company better meet its goals.

We considered a number of approaches to the rearranged work week but Variable Hours kept bubbling up as the best alternative for us. Employees select the starting time they want, get the approval of the boss, and that becomes their regular work schedule. Our work day is 7 1/2 hours. The only stipulation was that no one could start earlier than 7:00 A.M. or later than 9:00 A.M. With 30 minutes for lunch, that gives us a "core" time of 9:00 A.M. to 3:00 P.M. when all full-time people are at work.

Just in case we were getting into something that could backfire, we decided to play it safe by testing the program for 6 months. We were not expecting miracles -- we tried to avoid raising the expectations of both the management and non-management groups. We thought our people would like it, it would enhance their image of our Company as a great place to work; that it might further improve morale, and possibly improve service to our policyowners and field force. Throughout our six month trial period, which ran from October 1, 1973 through April 1, 1974, we measured the effectiveness of our program in terms of service, employee attitudes, supervisory attitudes, the reaction of Union officials, tardiness, absenteeism, and morale. We kept all employees informed as to how it was going.

We recognized early in the game that the major accountability for success of the experiment rested with the Supervisors. We relied heavily on them to spot and resolve problems -- both individually and as a group.

One additional comment about the union. They were in our corner from the start; we kept them informed during the planning and experimental stages and have never had any resistance from them. It became obvious they thought we had a winner from the start. This was important to us in view of some subsequent changes we made.

I've spent several of my precious 15 minutes on background because I believe it is important to get that into the record at these hearings. Just don't decide that next week in your Company or government office you'll install some sort of flexible hours program. Before embarking on such a program you must first: Determine if you have a suitable environment in your organization; second: Involve your total organization; not selected departments; and third: Make your Supervisors accountable for making variable hours work.

We've had variable hours as a way of life for 2 1/2 years. They are great! Almost none of the administrative or operational problems we anticipated have developed. An early task force report stated, "Often what appear to be insurmountable problems can be worked out by employees at their own level if given the opportunity." More job enrichment, if you will.

You know, some managers of my generation thought some of the present generation would choose late starting times because it's so hard for them to get out of bed. Right? Wrong! Exactly the opposite! 50% of our people are at work before 7:30 A.M. and a whopping 80% of them are in before 8:00 A.M.

Disadvantages of Variable Hours

We have found nothing that has endured as a legitimate limitation to the success of the program. Minor issues popped up and had to be resolved, for example, inadequate phone coverage after 3:30 P.M.; apprehension over lack of supervision during certain work hours; some inter-departmental service slowed down; scheduling meetings was difficult; employees not understanding that this is a privilege, not a right, and must be compatible with work flow.

I think it requires a little rearrangement of attitudes. For example, someone will answer the phone after 3:30 in a work area but it may not be the familiar voice we are used to hearing. Or, perhaps we can schedule meetings earlier in the day so people won't walk out after 3:00 P.M. We need to be willing to alter some of the inflexible habits that we've gotten comfortable with.

Advantages of Variable Hours

-- Our employees think it's marvelous -- Jackie no longer sits at her desk reading a paperback from 7:00 to 8:00 A.M. because her husband drops her off on his way to work.

-- It's helped make recruitment of new employees easier.

-- It's kept NML in the forefront as a progressive employer in the State of Wisconsin.

-- Our employees get a lift by talking about it to their friends and acquaintances.

-- It's leveled out that 8:00 A.M. and 4:00 P.M. congestion around our building, particularly since a 42 story building has been constructed just across the street.

-- It spreads out the traffic flow on city expressways and downtown streets.

-- Incoming mail is opened earlier, read, distributed and acted upon earlier in the day.

-- It provides an extra hour of telephone service to both east and west coasts.

-- It further developed our trust in people to do what is right.

-- Supervisors are delegating more management responsibility.

-- People see tangible evidence that they are influencing their work situation.

-- It is a boost to our Affirmative Action efforts -- a boon to the working mother.

-- It stretches our imaginations -- has made us more receptive to part-time jobs, job-sharing and other innovative arrangements.

-- It's given a good boost to involvement in our Company physical fitness program. People can work out their schedules easier and now have fewer valid excuses for avoiding exercise.

Employee Attitudes

Here are some results of a recent Variable Hours Survey at Northwestern Mutual:

Should Variable Hours be kept or abandoned? 88% said keep; only 2% said abandon.

Why did you change your hours?

Better fits my personal needs	43%
Avoid traffic and parking problems	23%
Better fits the needs of my family	21%
Car pool did and I had to go along	5%
Other	8%

What effect has the change had on your performance?

More Effective	32%
Less Effective	1%
No Change	67%

Supervisors were asked:

What has been the effect of Variable Hours on the level of service provided by your division?

Increased the level of service	36%
Decreased the level of service	6%
No effect on the level of service	58%

Productivity Gains

Our unit cost figures show that we're doing better with Variable Hours than we did without them. In 1975, two critical measures of cost -- acquisition of new business and maintenance of business already on the books -- were less per $100 of premium than in 1974. Some of the improvement, we think, but can't say unequivocally, is due to Variable Hours.

Absenteeism, including Sick Leave

The first full year of Variable Hours, not counting the experimentation period, was 1975. Our number of days lost per employee, for all reasons, dropped from 5.8 in 1974 to 4.7 in 1975, the lowest average since 1969. That 4.7 days is 1.8% for those of you who are used to seeing absenteeism as a percent.

Employee Turnover

Our non-exempt turnover in 1975 was 13.7% -- the lowest since World War II. In 1968, our turnover was 33.9%, dropped to 17.0% by 1974, and then took another dip in 1975. For our type of business, these are rather dramatic figures, on the happy side!

Tardiness

We almost don't have tardiness anymore! Sounds inviting, doesn't it? It used to be when someone was 10 minutes late that was just lost time. Now the employee simply makes up the time. Too many instances, of course, and the Supervisor just might suggest that they set a new starting time! The Company no longer finances tardiness.

Excused Time

We also stopped subsidizing those extra long lunch hours that involve shopping trips, or dentist appointments, etc. If Joe has a dental appointment, he can keep it and make up the time that day or during that week. We now get 37 1/2 hours per week on the job out of each full-time employee. They keep themselves honest.

Variable Hours are now part of the everyday climate at NML. They are good for our employees and to paraphrase another businessman's testimony quite a few years ago, "what's good for the employees must be good for the Company." And I might add, it's such a bargain -- it literally doesn't cost anything!

I urge this Sub-Committee to further examine flexible hours as a way of improving the quality of working life in America. Our experience is totally positive and one of the few changes introduced where nobody loses -- everybody wins!

Nestlé

The Nestlé Company, Inc. 100 Bloomingdale Road, White Plains, New York 10605 (914) 946-6400

Mr. Chairman, my name is Russell W. Boekenheide and I am Vice President of Personnel of The Nestlé Company, Inc. We are headquartered in White Plains, New York, a small city in Westchester County, about thirty miles north of New York City. Overall, we employ approximately 6,500 employees at over twenty separate facilities throughout the U. S. We manufacture and market food products for the consumer.

I am accompanied here today by Mr. Bryan MacDonald, Personnel Manager, and Mr. Henry Ciocca of our legal staff. I have been invited here to testify about our experience with a "Flexible Hours" program and to help you and the other members of the Committee understand the workings of the program at Nestlé.

HISTORY:

The Nestlé Company first became familiar with the flexible hours concept during the spring of 1972. Two professors at a European Management School, IMEDE, Professors J. Gordon and A.O. Elbing, had written an article in a publication "The Business Quarterly" called "The Flexible Hours Work Week--European Trend is Growing". This piece came to the attention of Nestlé Management and it was decided to investigate whether or not such a plan would be feasible for the company's headquarters operation in White Plains. At that time, this facility employed approximately 650 exempt and non-exempt salaried employees performing a wide variety of managerial, professional, administrative and clerical functions. No production and maintenance activities take place at this location.

The Personnel Department was responsible for developing a plan proposal and reviewing it with supervision. The plan was to be kept simple. At best, the plan was to be one which would increase productivity--at the least, the plan was not to result in decreased productivity. The plan was to be beneficial to employees and recognize their needs, and beneficial to the Company by helping it better attract, retain and motivate qualified employees.

With these objectives in mind, a pilot program was designed and given a trial run in the summer of 1972. The plan was as follows:

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SCHEDULE OF HOURS (35 hours required):

Monday - Thursday	Friday
Flexible - 8:00 - 10:00 a.m.	Flexible 8:00 - 10:00 a.m.
Fixed - 10:00 - 12:00	Fixed 10:00 - 12:00
Flexible - 12:00 - 2:00 p.m.	Flexible 12:00 - 2:00 p.m.
Fixed - 2:00 - 4:00	Fixed 2:00 - 3:00
Flexible - 4:00 - 6:00	Flexible 3:00 - 6:00

Exhibit A is a chart which graphically illustrates the schedule and lists the other requirements involved.

WORK SCHEDULING:

A weekly work schedule sheet was prepared by each employee (Exhibit B). These schedules were to be prepared by the employee on Thursdays to plan work for the following week. Each supervisor reviewed the schedule and, where necessary, adjusted it in accordance with departmental needs.

TIME RECORDING:

Time sheets (Exhibit C) were prepared for all employees. Every employee, exempt and non-exempt, was to record starting and quitting times and lunch-time hours.

COMMUNICATIONS:

In-depth presentations to all managerial and supervisory personnel were followed by explanations to each employee, since proper communication and understanding was considered to be essential to the success of this kind of program.

SURVEY:

Managers and supervisors were surveyed during the trial period for their reactions, first as supervisors and then as employees. In summary, these responses were favorable and the program was installed with one modification.

First Modification (September, 1972) (Exhibit D)

It was discovered that practically all employees reported to work by 9:30 a.m. Therefore, the fixed hour requirement in the morning was increased from 9:30 a.m. to 12:00 noon, and the flexible portion decreased from 8:00 a.m. to 9:30 a.m.

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Second Modification (Exhibit E)

A second modification was made on January 1, 1975. An audit of the system was made during early 1974 and it was found that the pre-scheduling portion of the plan was not being followed in all cases and proper time reporting procedures were not being followed in some instances. In addition, signficant problems had developed in some parts of the business where quick and continuous internal and external communications were necessary.

Accordingly, a task force was established to review the program in-depth. After review with various personnel, the task force recommended that the program be continued since its contributions to employee morale outweighed certain of the program's disadvantages. The task force did suggest certain schedule modifications which were subsequently adopted by management. The new schedule adopted was:

Monday - Thursday	Friday
Flexible - 8:30 - 9:00 a.m.	Flexible - 8:30 - 9:00 a.m.
Fixed - 9:00 -12:00	Fixed - 9:00 -12:00
Flexible - 12:00 - 1:30 p.m.	Flexible - 12:00 - 1:30 p.m.
Fixed - 1:30 - 4:30	Fixed - 1:30 - 3:30
Flexible - 4:30 - 6:00	Flexible - 3:30 - 6:00

In addition, enforcement of the pre-scheduling requirement was emphasized. A thirty-five hour work week continued as a requirement.

SUMMARY:

At present, the flexible hours program continues to be one of the key elements in our personnel program at White Plains. We will continue to monitor this program, among others, to make sure that it meets employee preferences and company requirements.

RWB:slf
4/1976

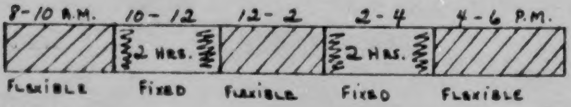
THE NESTLE COMPANY
EXHIBIT A

FLEXIBLE HOURS

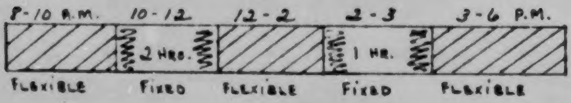
5 = 35

Flexible Hours = Employee Benefit

MONDAY -- THURSDAY



FRIDAY



1. All employees must work 5 days - 35 hours per week.

2. PERIOD COVERED FROM JUNE 5th - SEPTEMBER 1st.

3. Employees must submit to Supervisor for prior approval a weekly work schedule.

4. Everyone must sign in and out recording their time A. M. - LUNCH - P. M. on a weekly time sheet kept in each Department.

5. Overtime for non-exempt employees will be paid for hours worked over 40 HRS. ONLY. Payment of time and one-half beyond 8 hrs. per day will be suspended during June 5th to September 1st. Straight time will be paid over 35 HRS. up to 40 HRS.

5.1 Lunch Period of 30 minutes or more must be taken.

6. Persons on Business Trips, Vacation, Paid Sick Time, or Comp. Case will be CREDITED with 7 hrs. per day.

WEEKLY WORK SCHEDULE

DEPARTMENT: WK. ENDING:

NAME	MON			TUES			WED			THURS			FRI			TOTAL HOURS	REMARKS
	AR	LV	LV	AR	LV	LV	AR	LV	LV	AR	LV	LV	AR	LV	LV		
E. COSGROVE	8^{30}	12/2	5^{30}	8^{30}	12/2	5^{30}	8^{30}	12/2	5^{00}	8^{00}	12/1	5^{00}	8^{00}	12/1	3^{00}	35	
M. HENRY	9^{00}	12/1^{00}	6	9^{30}	12/1^{30}	6	9^{30}	12/1^{30}	6	9^{00}	12/1	6^{00}	9^{00}	12/1	4^{00}	35	
R. TANK	9^{00}	12/1	5^{00}	9^{00}	12/1	5^{00}	V	/		9^{00}	12/1	5^{00}	9^{00}	12/1	5^{00}	35	

CODE

TRAVEL	T
VACATION	V
SICK	S
COMP CASE	WC

DEPT. HEAD

EXHIBIT B

DEPARTMENT

WEEKLY WORK SCHEDULE

WEEK OF

NAME	MON			TUES			WED			THUR			FRI			SAT			SUN			TOTAL HRS	REMARKS
	AR	LV	LV	AR	LV	LV	AR	LV	LV	AR	LV	LV	AR	LV	LV	AR	LV	LV	AR	LV	LV		

CODES A Accident (Pers'l) C - Accident (Comp.) D - Death in Family H - Holiday J - Jury Duty L - Leave of Absence P - Personal S - Sickness T - Travel V - Vacation WC Comp. Case

EXHIBIT C

WEEKLY TIME SHEET

DEPARTMENT ____________

WEEK ENDING ____________

NAME		MON			TUES			WED			THUR			FRI			WEEKLY TOT HRS	SIGNATURE	REMARKS
		AM	PM	TOT HRS	AM	PM	TOT HRS	AM	PM	TOT HRS	AM	PM	TOT HRS	AM	PM	TOT HRS			
	IN																		
	OUT																		
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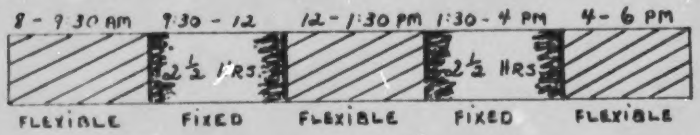
THE NESTLE COMPANY INC. EXHIBIT D

FLEXIBLE HOURS

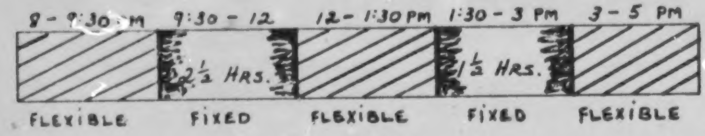
REVISION

5 Days = 35 Hours

MONDAY -- THURSDAY



FRIDAY



FIXED HOURS = 24

FLEXIBLE HOURS = 11

TOTAL = 35

BJM:slf
10/1/72

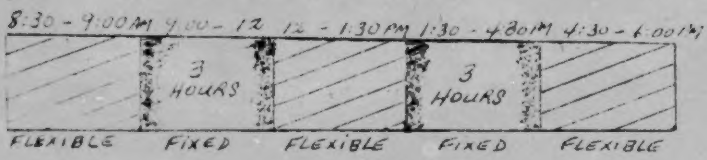
THE NESTLE COMPANY EXHIBIT E

FLEXIBLE HOURS

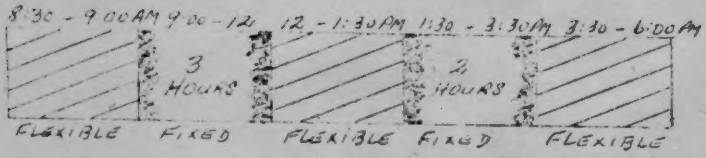
REVISION

5 Days = 35 Hours

MONDAY -- THURSDAY



FRIDAY



BJM/m
01/01/75

Senator NELSON. Our next two witnesses are from the American Institutes for Research, Hal Sheppard and Albert Glickman.

If you gentlemen would identify yourselves for the record.

STATEMENTS OF HAROLD L. SHEPPARD, PH. D., PRINCIPAL RESEARCH SCIENTIST, AND ALBERT S. GLICKMAN, PH. D., DIRECTOR, ORGANIZATIONAL BEHAVIOR RESEARCH GROUP, AMERICAN INSTITUTES FOR RESEARCH, WASHINGTON, D.C.

Mr. SHEPPARD. I am Harold Sheppard, American Institutes for Research in Washington, D.C.

Mr. GLICKMAN. I am Albert S. Glickman, director, Organizational Behavior Research Group, American Institutes of Research.

Senator NELSON. Go ahead, Mr. Sheppard.

Your statement will be printed in full in the record. You may present it however you so desire.

Mr. SHEPPARD. Thank you, Senator.

I would also like to submit another item which I gave the staff, which deals with the role of Government in this field. I would like to make brief reference to it in passing as quickly as possible, given our time constraint.

It is entitled, "Government's Role in Improving the Quality of Work Life."

Senator NELSON. What its role should be?

Mr. SHEPPARD. Yes.

Senator NELSON. All right.

Thank you.

Mr. SHEPPARD. First of all, I want to apologize for the document you have before you called "Summary of Testimony," as far as the quality of the typing job is concerned.

Senator NELSON. I thought it came out of my office.

Mr. SHEPPARD. I was going to say it is a product of my own typing, Senator, and partly because I have a part-time secretary, and coming back to one of the main topics of these hearings, she does not want to work full-time, and I said OK.

Senator NELSON. I really meant I thought it was typed by one of the men in our office in their spare time.

Go ahead.

Mr. SHEPPARD. The subject matter for these 2 days of hearings, "Changing Patterns of Work in America," encompasses many dimensions and specific topics and issues that are impossible to cope with adequately in any one witness' brief testimony. I hope you will forgive me for citing, in cursory fashion, only a few observations and comments. Part of my own problem is that I am interested in nearly every one of the specifics mentioned in your invitation to testify today, especially the one regarding role of Government in this field. And I would like to quickly mention a few items in additional submission I gave to the staff.

Senator NELSON. I am satisfied the role of Government could be significant and should be.

Mr. SHEPPARD. I am trying to deal with what it should be.

First of all, modern governments already have some type of industrial occupation and health safety programs, which I include in the "quality of work life" definition. But, in the United States, at least, there are serious questions as to just how thoroughly the laws and regulations are enforced.

This is partly the result of inadequate resources and personnel to carry out this important function. I think Government can be doing more that might require more legislative responsibilities as well as more executive responsibility.

Also there is the need for training more people in this field, more personnel with more sophisticated approaches. In cooperation with management and unions, Government should also be leading the way and providing direct and indirect training of company and union staffs, including local workplace health and safety committee members, not just at the international union level, or corporate headquarter level on the management side.

Along with technical assistance, and also partly in connection with what you said to the company representatives earlier, I think Government should find some way of effectively rewarding and honoring those companies that have been doing such things as the three companies that testified before you.

Incidently, Nestlé's reminds me of the fact that in Switzerland, I am told, 30 percent or more of the workers in Switzerland now work under flexitime conditions, and perhaps Dr. Glickman will comment on that.

Senator NELSON. You mean in the private sector or both?

Mr. SHEPPARD. I am not sure about that. According to this study by International Labor Office, published 2 years ago or so, or last year, that is the statistic cited.

Assistant Secretary Weiss referred to two surveys on working conditions in America. He did not refer, incidentally to the trailblazing report, from my selfish standpoint, initiated by the then Secretary of HEW, Elliot Richardson, called "Work in America," which helped start some of the flurry of interest in this topic. I played some part in the preparation of that report, while employed at the Upjohn Institute.

To repeat, Mr. Weiss referred to the Department of Labor surveys of 1969 and 1973. Unfortunately, I see no sign that such a periodic survey is going to continue. I think the Congress should encourage—that is a mild term—a periodic resurveying. It is not true that people do not change. There is a need for continuous updating of looking for the strong spots and weak spots in our workplace environments.

In addition, the sponsorship of such surveys, hopefully, carried out not really to add to our store of knowledge for the academics, but as a basis for further action, Government, in cooperation with universities and other sources of knowledge and know-how, might sponsor a continuous series of seminars with management, labor and industrial engineers and so on.

One of the ways this whole program got started was through the sort of informally created series of seminars by a man named Neal Herrick, who was in the Department of Labor, pulling together and convening managers, trade unionists, researchers, activists, to start spreading the word and getting increased interest. These seminars are no longer held. Mr. Herrick is no longer in the Department of Labor.

Senator NELSON. When were those seminars——

Mr. SHEPPARD. As far back as December 1968, I know personally, Assistant Secretary of Labor Esther Peterson was one of the primary parties at the official level recommending this, and subsequently Mr. Herrick began a series of these seminars. He went to work for the State of Ohio, continuing to do that and following through with actual experiments in cooperation with unions and management, with a great deal of success.

Another way to very decisively, I believe—and it might be called radical at this point—to implement more positively many of the viewpoints and policy positions in this field, is to take a look at policy recommendation of the European Economic Community a few years ago, which recommended that no new factory be built upon old lines, and that the assembly line, as we traditionally conceive it, be abolished, in such new workplaces.

We know now it is not necessary to assemble appliances, TV sets, and automobiles the way it has been done in the past several decades. Take a look at Corning Glass, General Foods, or Saab or Volvo, especially the latter two companies with new factories in Sweden, which I visited more than once, and not on just a 2-hour quickie trip. Those are some of the examples.

I do not now want to give you a full laundry list. It is in my document.

Finally, I will say that Government itself must be a model in this field. I do believe there is some encouraging development. There are encouraging signs, which I assume you will hear about tomorrow.

I can name agencies in the Federal Establishment, the Bureau of Engraving and Printing, the Social Security Administration, I think TVA, and so on, much under the inspiration of the Joint Committee of the GAO, the OMB, the Civil Service Commission.

I am sure you will be hearing a lot about that.

Senator NELSON. What is it?

Mr. SHEPPARD. This is the Federal Committee to Improve Productivity in the Federal public sector. They have wired into that the factor of quality of worklife as one of their determinants of productivity.

There are many experiments, and in some cases it is no longer an experiment.

They have included in that, by the way, many flexitime programs. And the Civil Service Commission has put out a publication which, in effect, shows administrators of agencies that they can introduce a lot of flexitime that does not require Congress to change a law. I will not elaborate on that.

I hope you can get information on that tomorrow.

Senator NELSON. When you talk about the role of Government, the committee you are referring to is GAO, OMB and Civil Service?

Mr. SHEPPARD. Yes.

Senator NELSON. Is that an ad hoc committee, Executive order? What is its status?

Mr. SHEPPARD. I really cannot remember how it got started. There was a push for productivity in the public sector.

Senator NELSON. When was that?

Mr. SHEPPARD. Three or 4 years ago.

I remember some of the early conferences to help stimulate that.

Senator NELSON. When you talk about the role of Government, you referred to seminars, and the previous witness, the Labor Department, referred to surveys and studies.

You always, I assume, include, do you, a carefully planned program of Federal Government experimentation with a variety of methods of changing the workplace?

Mr. SHEPPARD. Yes.

Senator NELSON. That the Government itself be the experimenter in its own role?

Mr. SHEPPARD This is what I meant as a model. Government should not be going around preaching to the private sector, to private enterprise, that it should be doing great things while the Government itself does nothing.

Senator NELSON. We do that all the time.

Are you trying to get us to change that?

Mr. SHEPPARD. I refuse to be an absolute cynic, Senator. I am not one of those individuals in the public opinion polls giving up complete faith in the Government. If I had, I would not be here today.

Senator NELSON. All right.

I would not be here either really.

Mr. SHEPPARD. I was trained at the University of Wisconsin, where I got the right philosophy.

Senator NELSON. From your intelligent remarks, I was going to make that inquiry, or find out if it was just an accident.

[Laughter.]

Mr. SHEPPARD. It was not an accident. I deliberately chose going there.

Senator NELSON. I raised the question to Mr. Weiss about how the Government should approach this subject. His response was maybe we should ask the Civil Service Commission tomorrow.

It seems to me there has to be a statute, together with the appropriate Executive direction from Cabinet members, to encourage them to sit down and evaluate what the federal program ought to be, and then make a decision as to how and where and when and in what departments and agencies certain experiments should be conducted.

Do you think that is the way of approaching it?

Mr. SHEPPARD. I think that is a major way of approaching it.

I also think that the Secretary of any one agency should not have to wait for that. There are some agency heads who are self-initiators. I do know of a meeting that was held a few years ago, where many private sector people came, and experts came, to talk to the heads of various agencies and, in effect, said here is what is being done in the private sector. Who wants to try it in their own agency?

And a few hands went up.

I am oversimplifying the process.

There are other techniques that have to be carried out, and I think one of the major more encompassing approaches would to follow what you are saying.

Senator NELSON. I would agree, of course, that whatever agency or departmental head wanted to try and attempt this, he ought to be able to do it if the law does not prohibit it.

But it seems to me that this is an ongoing problem. It is not one you study and then you find the solution to, because the workplace and people's attitudes and society will continue to change.

It seems to me somehow or another, you have to institute, or you have to establish the institutional responsibility on a continuing basis to evaluate and experiment on an ongoing basis year round and decade after decade, do you not?

Mr. SHEPPARD. And keep getting some sort of census studies, of feedbacks periodically, on how well they are doing and what the weak spots are, in Government establishments—not just the University of Michigan type of survey that the Department of Labor sponsored, with a nationwide sample of all employed Americans.

I might mention also, coming back to the Swedish situation, that Premier Palme has one man full time reporting to him about what is the progress in the Swedish Government public agencies. We do not hear much about that in our press. We only hear about the private sector of Volvo and Saab.

There are 500 or more private and public establishments in Sweden that are doing all kinds of things.

Senator NELSON. Well we had better move to Mr. Glickman.

Go ahead. Your statement will be printed in full in the record, and you may present it however you so desire.

Mr. GLICKMAN. Thank you, Senator.

I am Albert S. Glickman, director of the Organizational Behavior Research Group of the American Institutes for Research, a private, nonprofit behavioral science research organization, located at 3301 New Mexico Avenue NW., Washington, D.C.

I appreciate the opportunity that the subcommittee has provided, to discuss the subject of "Changing Schedules of Work" and the research needed in support of future policy and planning. I am not representing AIR or any other particular group.

My testimony derives primarily from research in which I have been engaged with the support from the U.S. Department of Labor and from the Organization for Economic Cooperation and Development. A copy of the monograph reporting this work, entitled "Changing Schedules of Work: Patterns and Implications," is offered for the record as a fuller exposition of my summary statement today.

Senator NELSON. It will be received for the record.

Mr. GLICKMAN. I shall focus primarily on impact upon individuals, families, and other social groups. Less information is available on total life adjustment requirements of such people than on impacts affecting the employing organizations. It is here that the greatest research needs exist in support of policy formulation.

Times are changing. In the context of our theme today, I am referring particularly to the use of more flexible schedules of work as a means of increasing opportunities for improving the quality of life—at work and in one's free time over the whole lifespan.

As Professor Samuelson has pointed out, the study of changing patterns of work can be regarded as an investigation of the impact of a new technology upon values.

In years past, work schedules were dominant in determining the schedule and content of lifestyles and activities. Time off during the day, week, holidays, vacations, and retirement were indeed fringe benefits.

This is no longer the case. In many occupations, holidays and vacations, regular 2- or 3-day weekends, retirement, and time for training and education already add up to more days off from work than days spent on the job in the course of a year. The chunks of free time are increasing in size, so that it now becomes possible to change one's style of life in significant ways.

Most of us here are aware of the increasing experimentation in recent years with new forms of the workweek.

In the United States, this has most often taken the form of some variant of the 4-day week—more hours per day, less days per week.

In Europe, flexitime has been the more frequent innovation. The number of workdays in the week has stayed the same, but the organizational workday has been stretched. So long as the worker is present during a core period of the day when the workload is heaviest, he may come and go at times that are earlier or later than other workers.

In the last couple of years, flexitime has been attracting increased attention in the United States as well.

But greater flexibility also brings accompanying problems. For example:

Given the hypothetical case of a married female office worker with one child who shifts from the 5-day, 40-hour week to the 4-day, 40-hour week. She now has a day free to do shopping while her child is in school, and she can take the child to the doctor for his booster shots without taking a day off from work. Or maybe she will use the time to take a course that will help her get promoted.

But the bus runs less often when she leaves work now, though she can get a seat that was full during the rush hour. And she has problems arranging for child care since the lady who has been taking care of the child is not available for all of the new 11- to 12-hour daily span. And her husband and child are not accustomed to early breakfast and late dinner. And if the office goes on a rotating day-off schedule, her headaches are even greater. Longer weekends for her, but not her husband, raise questions that did not exist before.

A case like this illustrates the practical problems in attempting to get a true picture of the positive and negative effects accompanying such schedule changes.

The most crucial factor is that participants in new kinds of work schedules; become de facto members of a minority group, disadvantaged with respect to a host of public services and of interpersonal and interorganizational relationships, and legal constraints. So a real test of these innovations is not provided by the isolated tryout by a single firm or factory. Overall, the number of workers involved in these experiments still make up a very small percentage of the work force.

Failure to take adequately into account the contextual factors, and oversimplistic assumptions about the value of free time as an incentive for extra effort, or as a compensation for unattractive aspects of a job, may explain why the enthusiasm that so often accompanied the initiation of these changes has frequently faded when subjected to the reality test that actual experience provided.

These new patterns of working time are not a passing fad. Quite the contrary. Given almost any historical perspective they may be regarded quite confidently as harbingers of things to come.

Because of this, I would argue strongly for more systematic analysis and research now, so that we are better prepared to meet the future, and can better prepare people to make more satisfying use of time—particularly the larger chunks of free time becoming available that so many people are not yet prepared to use for personally and socially constructive purposes.

Some examples of rather basic questions that still need study are these:

What are the second and third order effects upon the individual on a new work schedule such as the 4/40 or flexitime?

How does the new schedule of working time influence the scheduling of other activities?

Since the new schedule was implemented, have new activities been added, have others been modified, and have still others been dropped?

With greater flexibility in his/her schedule, does the individual become aware of new behavioral choices?

Conversely, are new demands placed upon the individual's time?

Is he/she prepared to cope with them and grow up with them?

What adjustments are required for individuals immediately and in the long run?

What transportation problems are involved?

What problems arise involving children when one or both parents are affected by a marked shift in schedule?

How does the child react?

Does the individual and the family have greater opportunities to come together or does separateness result?

The structural characteristics of time, space, place, pace, equipment, laws, contracts, and organization of work upon which he is dependent often provide little or no room for changes in an individual's behavior. In other settings, the individual is his own toolbag, and he can largely determine how to budget his own time and effort. And the number of jobs where this type of freedom is possible is increasing.

Flexibility can be programed into rigid job schedules, for example, by making better use of available computer programs to give the individual more choice in the days and hours he reports to work.

Robert Kahn, in a paper commissioned by the "Work in America" task force [1] blueprinted a modular system to suffuse even lower level jobs with flexibility. He would supplant the typical 8-hour workday with modules that represent the smallest amount of time on a given task that is large enough to be economically feasible: for example, workers could decide how to use their time—working a 2-hour module on one task; the next 2 hours on another task, et cetera.

The modules would provide variety, a chance to learn new tasks, help the scheduling of one's work to meet personal needs—for example, child care, schooling—and open up needed part-time employment.

Such sophisticated tools can be used to assure that the job gets done, while more nearly optimizing the benefits for all.

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[1] O'Toole, J., et al., "Work in America," report of a special task force to the Secretary of Health, Education, and Welfare, Washington D.C., December 1972.

We can also foresee an increasing demand for flexibility in working time, not only with regard to workweeks, but also vacations, educational leave, retirement, and so forth.

Past demands have usually focused upon decreasing the number of hours spent working. Although most workers still show a preference for more income over leisure, as more and more people exceed the minimum acceptable standards for quality of life, there will be more striving for individual fulfillment in attractive ways that require more free time than income.

New requirements must be met with new policies. These policies must assure that the quality of life can be raised and extensively shared—rather than devalued by confusion and frustration.

We shall need policies to deal with the conflicting roles, purposes, and values, of trade unions and employers, for example. Both parties are likely to agree that the patterns of working time should be organized so that the individual worker ultimately derives the maximum possible benefits. However, there are disagreements as to what constitutes a benefit and how it is to be achieved.

An increasing rate of change and occupational mobility within a context of greater flexibility will also place heavy demands upon management, unions, Government, and our social institutions to make reality out of the ideal of life-time learning.

Institutions must also change. For them to be sluggish in response to demands, is to risk their credibility and viability. Cultural lag that spans even one generation is no longer tolerable. The conditions and values of life now change too fast to allow such indulgence.

Indeed, our institutions must adopt policies which have self-renewing flexibility built into them so as to be able to sensitively react to change. It is difficult to legislate flexibility. Yet, it is possible for Government or any organization, to take the lead in supporting the necessary research for establishing and changing policies.

The possible role of new patterns of working time in stabilizing the labor market is an example. What can we expect?

For many employers, a large dividend may accrue. A greater range of production, scheduling, work programing, and placement adjustments might contribute to less layoffs, slow-downs, absenteeism, and work stoppages. Greater flexibility within and between organizations also opens up the job market to more women, older individuals, and the physically and socially handicapped. Contrary to conventional wisdom, we might ask whether stability in the labor market can be fostered through allowing more people to work for more than one employer.

It is not unreasonable to expect that increasing regulation of productive enterprise and work activity will be accompanied by comparable increases in control of nonwork or leisure time activities.

If people work on a greater variety of schedules, the complexities involved in coordinating the schedules of transportation, factories, stores, churches, schools, public services, and so forth, must be dealt with. And the opportunities provided to learn how to use free time more satisfactorily must keep pace.

Policy must incorporate a longitudinal perspective. Thus, for example, it is possible that, in the future, individuals may vie to become workers, not because they need more money, but because routine work will become fully automated, and the people who are workers will be the relatively few who have a chance to do simulating things that are not preprogramed.

With mounting security and affluence, there may be a decline in the incentive value of consumer goods.

"Is it worth it?" May be a more prevailing attitude among those who "never had it so good," as the behavior of young people gives mounting evidence.

Again, the dividends of greater flexibility may only accrue if the increased complexity involved is dealt with by long-term research, planning, and coordination of all parties concerned, and in all sectors of society.

If adequate policies are not adopted to deal with these problems, then the potential benefits of greater flexibility to enrich life may never be realized.

Thank you, sir.

Senator NELSON. Thank you, Mr. Glickman.

You refer in your last sentence to long-term planning and coordination of all parties concerned and in all sectors of society.

What is the instrumentality?

Mr. GLICKMAN. There are a host of studies that have been conducted. Most of these are one at a time cross-sectional studies. There is the case of the longitudinal study where particular segments of the population are followed up over time, as conditions change, to see how their life is altered.

We can take changing work schedules or retirement schedules, as a case in point. Thus, for example, we have underway, working with the Social Security Administration, a project under the title of "The Changing Life Ethos," in which we anticipate building some social indicators which will give us measures of how people's work values, work ethics, leisure values, and leisure ethics change as a function of either individual organizational policy or Government policy.

Senator NELSON. I was really thinking of something different.

Where does the leadership come from?

Now, there will be all kinds of experiments, as there are now, and there will be more in the private sector, public sector, elsewhere around the world. It is a problem that will be with us forever.

Where should the responsibility lie for collecting, planning, suggesting, and evaluating? How do you do that?

Who does this?

It is not going to work except in a kind of miscellaneous way, not to say that would not have benefits.

It is necessary to have some place in some organization that continually evaluates what other people are doing and making suggestions. How would you structure that—if you agree that that is necessary?

Mr. GLICKMAN. I certainly do, sir.

The testimony this morning, and your persistent pursuit of that theme of "who is in charge here," I think, very well illustrates the deficiency and the need for some central focus for such planning.

My esteemed colleague, Dr. Sheppard, suggests a national center for productivity and work quality.

Mr. SHEPPARD. Well, it was originally called the National Commission on Productivity, and now it is a legislative creature.

I believe the legislation includes, or has responsibility and could be made to have responsibility for exactly what you are talking about, with appropriate support from both legislative and executive branch.

As I understand now, its budget is very limited. Currently, the Vice President is chairman of that, and it has an Acting Director.

Senator **Nelson**. He is a very creative person. I guess we would all agree that his workplace is pretty desirable. If everybody was in his position, we would not have any work-place problem. And I do not mean as Vice President.

What is the bill's central purpose and what is its authority?

Mr. **Sheppard**. I am trying to recollect. I am probably going to base this on what I thought its intent should be.

It is to not only collect and encourage private and public sectors be carrying out these things, but to provide and contain in the ideal legislation that I once looked at some of incentives to expand what can be done and what is already being done without much in the way of incentives.

I would even go so far as to say we ought to at least look into this recommendation of the European Economic Community, that there not be allowed the construction of any new workplaces based on old lines.

As I said before, that is radical. But a lot of things termed radical turn out to be traditional in quicker time than I thought.

I would wire that in, although I know that the latter part is not in the legislation for the National Center for Productivity.

Senator **Nelson**. You have to live as long and run as long and be as persistent as Norman Thomas to get the program adopted.

Mr. **Sheppard**. That is one of the functions of longevity.

Senator **Nelson**. The thing that I am not clear on, and which I think needs some definition, is who has got what role and where should the responsibility be, and how should it be divided—recognizing there are all kinds of responsibilities, private and public.

On the question of experimentation, it seems to me the Federal Government should have a well-structured program because, after all, if a new or good idea arises, you might very well persuade, or the publicity of it may persuade, as it did in Nestle's or others, reading about it, but the fact of the matter is we ought to be experimenters, because we have got all the decisionmaking and all the authority to go right ahead and test the program. And then drop it if it does not work.

That is one of the aspects of it. One of the significant innovators ought to be the Government.

How do we do that? I am not sure.

Another one is, who gets together the data?

Who provides the kind of leadership role in the sense of getting out the ideas?

We collect enough information on energy, so we could have made a sensible decision in 1940 about research and development. We had the Paley report in 1952. Anybody in the research field knew where we were going. All the information was there. It was never brought together. There was no resource energy information service that made annual reports that compelled the President and Congress or thrust forcefully upon the President, the Congress and the public the cold hard facts of what our resources were and where we were going, although the information is there.

One of the research experts predicted 20 years ago that 1970 would be the year in which we consumed more oil than we produced. And it was. He guessed it 18 years in advance.

We had that information. Who was going to provide the leadership and where should it provide is a question we have got to decide.

Mr. Sheppard. I do believe it should not be centralized in one of the existing executive branch agencies, but rather an agency like the National Center for Productivity, which I believe reports to the President's office.

If you put it in one of the existing agencies, like Commerce and Labor and so on—well, I once worked in the executive branch, for example, as Assistant Administrator for the Area Redevelopment Administration, Department of Commerce, and the law said we should coordinate all activities of all other Federal agencies to bring the resources of our country to bear on depressed areas.

You try to get the Department of Labor, Department of Interior, Department of Agriculture, and I think every agency but the State Department is involved, and we could have used—everybody believes in coordination, but did not want to be coordinated.

The original act, as I recall, introduced by Senator Douglas, calls for creation of a separate agency which would not be hamstrung the way it eventually was in order to get the votes to get the thing passed.

If I am not mistaken, in the audience here is the first Federal Administrator of the Area Redevelopment Act, Mr. William Batt, who, by coincidence, works for the National Center for Productivity and Work Quality now. I do not know if that agency has been asked to testify before you.

But, of all the ones I am aware of, and there might be others, that is the one I would, at this point, pinpoint the locus of responsibility.

I also would like to add something else. I have been very frustrated over the years in seeing all the money, even though I complain it is not enough for research, since that is where I basically make my living, but never is there enough in the way of boilerplate saying there must be some effective techniques that dissemination of research results through decisionmakers.

I do not do it just to add to my list of bibliography, to my own publication. I agree with you absolutely. I think Congress ought to take the responsibility for putting in boilerplates, if I may put it that way, additional sentences in those provisions, calling for research.

Knowledge for what?

To coin an old phrase.

Senator Nelson. If it does not get effectively to decision makers' in the private and public sector—although if it did that, you would have to hire readers for some of the decisionmakers.

Mr. Sheppard. I have left out a lot of nuances.

Senator Nelson. Well, we are beyond the allowable time.

There is a rollcall vote in the Senate Chamber and I must go.

Thank you very much.

Mr. Sheppard. Thank you.

[The prepared statements of Mr. Sheppard and Mr. Glickman follow:]

Government's Role in Improving The Quality of Work Life

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Before jumping directly into the subject of what might be the role of government in improving the quality of work life, I think it is important to provide a little background to the issue of the quality of work life itself, and the possible reasons for the current resurgence of interest in the issue. In outlining these reasons and related matters, I think it wise to keep in mind an observation by John Morley which I first had occasion to use slightly over a year ago at the Canadian Institute on Public Affairs Conference in Geneva Park, Ontario:

> Great economic and social forces flow with a tidal sweep over communities that are only half conscious of that which is befalling them. Wise statesmen are those who foresee what time is thus bringing, and to endeavor to shape institutions and to mold men's thought and purpose in accordance with the change that is silently surrounding them.
> (from The Life of Richard Cobden)

It should, of course, be the responsibility of governments -- together with researchers and thinkers in other public and private institutions -- to be searching for, and to be sensitive to those economic and social forces which otherwise might drown us in their tidal sweep if we then do not act to shape new policies and programs.

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* Delivered at Annual Meeting of Canadian Association of Administrators of Labour Legislation, Edmonton, September 19, 1974.

One of the basic changes that some people perceive is that men and women are coming to judge and evaluate their work, their jobs, and their working conditions in new ways that go beyond the obvious criteria of earnings and job security. We obviously can't have "humanized" workplaces in which employees have no assurance of tenure and adequate income. According to some studies, the new generation of workers, those under 40 or so -- in comparison with older workers and those already retired -- are also seeking such intangibles as some degree of autonomy in how they do their work; a greater degree of variety in what they do; and perhaps even a greater amount of responsibility associated with performing their tasks.

Furthermore, they tolerate less the older pattern of authoritarian management patterns. We know that in survey after survey, younger workers are less prone to accept authoritarian relationships with managerial personnel. In survery after survey, young workers are more dissatisfied with their jobs than older workers. And some observers argue that the young workers of today are more dissatisfied than the young workers of the past. The young workers place more emphasis on degree of interesting work, on an opportunity to use in their jobs the skills and potentials they have acquired or think they have.

In the United States we now face the dilemma of who will accept low-level jobs, including ones that pay above-average wage rates? This problem will probably become aggravated as we witness an absolute decline in the number of teen-age youth entering the labor force in the 1980's. And another way of highlighting the problem is to refer to a widely used expression, "we are running out of dumbbells faster than we are eliminating dumbbell jobs."

In the national survey of employed Americans carried out by the University of Michigan for the U.S. Department of Labor, it was found that the discrepancy between what workers value in a job the most and what is actually true of their own jobs was greater for the young than for the old, in regard to 19 out of 25 job dimensions.

I could go on to detail more about this new generation of workers. Assuming our current economic woes do not develop into a lingering and chronic mass unemployment pattern, the solutions for which would be far more drastic and costly than those for the kind of problem I'm discussing here, the work values and expectations of the new breed of worker will have to be coped with by governments, managers, and unions, much more than in the recent past.

The anti-authority orientation I have cited explains much of the work attitudes and behavior of all workers, regardless of age. It just so happens that a higher proportion of the young than of the old are non-authoritarian. But the less authoritarian the worker, the more likely he is to be alienated by jobs that allow for little freedom to do the work the way he wants to, by jobs with little variety, by jobs which provide little opportunity to learn.

Another basic change taking place in our two countries, and in other advanced industrialized societies, is reflected in the growing consumerism movement, a mounting concern about the quality of the goods and services we buy and use -- especially, one might add, in times of inflation. This concern leads us back into the workplace and the search for the causes of consumer complaints, a search that should look at, among other things, the ways in which we have organized our work systems -- including not only managerial styles, but also our technology. To come back to the young worker phenomenon, in my own research among white male blue collar union members, I have found that young workers report far more frequently that their companies emphasize quantity of output over quality of their work. And taking only those workers -- of all ages -- reporting the same thing, the ones most frequently bothered by the emphasis on quantity instead of quality are the younger workers. In other words, there is a strong desire on the part of young workers to do a good job, if only allowed to do so. (And perhaps also among the older workers when they were young, but over the years, given a lower priority because of their inability to do anything about it).

A third basic change -- and naturally, there are others -- is an outgrowth of the growing recognition of, or the belief in, the relationship between the quality of work life and the physiological and psychological well-being of men and women. Humanizing the workplace is coming to mean more than removing safety hazards from our offices and factories but also assuring that a variety of pollutants -- very often showing their harmful effects only after many years -- are reduced to below a toxic level, or eliminated altogether.

Humanizing the workplace also means a greater application of the science of ergonomics to the working environment -- including greater attention to the physiological dimensions of workpace, over- and underuse of bodily muscles in the performance of job tasks, the position of the body at work, etc. Great Britain and Sweden, to my knowledge, are best known for activities in this field, and Sweden especially has made a public policy issue out of it.

Finally, we cannot leave out what so many other speakers may have begun with, namely, the economic conditions behind the growing interest in job redesign, improving the quality of work life, etc.

Turnover, absenteeism, quality defects, perhaps even outright sabotage according to some, and a slackening of national productivity, have all been problems before, but we seem to be looking for additional and new solutions to these realities all of which have cost tags on them. A friend of mine, just last month, mailed me a report from a consulting firm for the apparel industry management on employee turnover -- showing that from 1971 to 1973, turnover moved from a rate of 49 percent to 64 percent. According to this report, some companies already have turnover rates of 100 percent or more. "This is frustrating, time-consuming, very expensive..." I'm no longer stunned by statistics like these. They do point out the economic dimensions of improving those conditions that keep employees with their employers. But what did provoke my attention was a table in this apparel industry report which showed that among the job-leavers, 25 percent left within three weeks after first starting their jobs. Nearly 60 percent left within three months.

The low wages typical of the apparel industry cannot be pointed to as the simple explanation for the turnover. To quote from this apparel industry report, "Repetitive, monotonous work, lack of recognition, few perceived opportunities to advance, the absence of child care facilities, and poor working conditions drive more employees away from an apparel plant than the size of the paycheck."

In the public sector, we have just been informed that one-half of the United States postal system's deficit of 400 million dollars in the past year has been traced to unauthorized absenteeism.

I am using turnover and absenteeism only as examples of the economic dimensions of the growing interest in improving the quality of worklife. But turnover, along with absenteeism, quality defects and similar phenomena affect productivity. So, too, does the organization of the work itself -- how the tasks are divided or allocated, what type of design of technology is used, and so on.

Productivity improvement is not just a matter of capital investment. We are all aware of the fact that with different management styles, different personnel policies, and different kinds of workers, two factories with the same equipment can have wide differences in output per hour or per employee. We are all aware of examples in which presumably new, higher productivity-capacity equipment has actually resulted in no improvements at all, thanks to neglect of the human reactions to the new equipment.

What then -- without continuing this litany of background factors -- is the role of a government in such matters? I refuse to comment on what different agencies or departments or ministries within any one government might or should do. I'm fully aware of inter-agency warfare, and charges of departmentalism imperialism!

Nor will I attempt to say what should be accomplished through legislation, and what through administrative regulations.

What I have said so far -- about health and about economic benefits or costs -- are obviously matters of legitimate concern for any modern government. So, too, were my extended remarks about young workers, because they bear upon the issue of education and its relationship to the world of work. One of the most critical determinants of dissatisfaction with one's job is the failure of that job to meet with the individual's expectations about the job. And it seems to me that our schools might play a better role if they prepared young people for the realities of work, especially in entry-type jobs.

Modern governments already have some type of industrial and occupational health and safety program. But in the United States, at least, there are serious questions as to just how thoroughly the laws and regulations are enforced. While this is basically a result of inadequate resources and personnel to carry out this important function, I would also add that government needs to be doing more in training its personnel -- and retraining them -- in the constantly changing methods, theories, and research findings in this important area of industrial and occupational health and safety.

In cooperation with managements and unions, government should also be leading the way in providing direct and indirect training of company and union staffs (including local workplace health and safety committee members), along with technical assistance.

Before I go any further, I should make clear that I have in mind a much broader definition of health and safety. Just to give an example -- in addition to any that may be suggested by my earlier reference to ergonomics -- it has been found by researchers in Sweden at the Stress Research Clinic in Stockholm that piece rate work is conducive to increased tension beyond any acceptable tolerance level to the human body. Shouldn't such knowledge be circulated among managers, industrial engineers, and trade union officials and workers?

It goes without saying, I think, that -- as OECD has recommended -- each country's government should sponsor a large-scale national survey of working conditions and work attitudes, on a periodic basis, in order to discover the "weak" and "strong" spots in work life, according to industry, occupation, region, and population grouping (by age, race, sex, education, etc.); and to measure changes over time in the progress, or lack of progress, in raising the national quality of working life.

As you know, the United States has started such a project, and already has had two such surveys, one in 1969 and the second in 1973. There is no certainty, however, that such surveys will be continued. I recently learned that Australia has already launched a similar nationwide study of its people's working conditions, under the direction of

Fred Emery, an internationally known student of the quality of working life.

In passing, I would like to mention that our Department of Labor has also been sponsoring a massive longitudinal labor market behavior study of 20,000 persons since 1966, with surveys repeated every year. While the main focus is not on quality of working life or working conditions, nevertheless one of its recent reports dealing with the labor market behavior of men 45 to 59 years old as of 1966 shows that over the first three-year period, voluntary changes from one employer to another were related to how much these men liked their 1966 jobs. I mention this tidbit because until now, we have not had any large-scale study to test the hypothesis of the relationship between expressed job satisfaction and actual job behavior. In other words, simply asking a person how much he or she likes his job provides us with some predictive power concerning that person's probabilites of job changing, without any complicated battery of over-sophisticated questions.

To repeat, what we need in this field is something akin to what is common im medical research, an epidemiological approach, as a major first diagnostic step toward private and/or public action on this front.

In addition to the sponsorship of such surveys, hopefully carried out not merely to add to our store of knowledge but as a basis for further action, government in cooperation with universities and other sources of knowledge and know-how, might sponsor a continuous series of seminars with management, labor, and industrial engineers, etc.

If we accept, first of all, the concept of governmental responsibility in the areas of health and of economic well-being, and, second, that the quality of worklife, the way jobs are designed and allocated, supervisory patterns, and other workplace attributes and resources have an impact on health and economic phenomena, it only seems natural that government should be trying out a variety of approaches aimed at improving that second set of factors. How might that be done?

One way would be to implement in very positive fashion the broad policy recommendation of the European Economic Community of a few years ago that no new factory be built upon the old lines, and that the assembly line as we traditionally conceive of it be abolished in such new workplaces. We know now that it is not necessary to assemble appliances, TV sets and automobiles the way it has been done over the past several decades. Take a look at Corning Glass, or Saab, or Volvo, especially the latter two companies' new factories in Sweden.

Why couldn't governments -- if they shy away from the notion of forbidding -- provide incentives to corporations and smaller companies to build their new facilities around modern concepts of the possibilities of technological adaptation to the needs and potentials of their human workers, rather than the other way around? We already have incentives to such institutions for other purposes, including -- in some countries -- incentives to expand in different regions as a way of bringing jobs to people and to reduce the risks of population congestion.

In the same vein, as part of a national thrust toward humanizing working conditions, democratizing the workplace, and increasing economic well-being, why shouldn't government be encouraging and supporting a series of experiments and pilot projects in job redesign and related concepts, in companies around the country? We have enough precedents of government assistance and sponsorship of experimental programs in manpower, if indeed precedents are needed to move cautious politicans and bureaucrats.

Many of you know that in 1972, Senator Edward Kennedy introduced a bill designed to attack the problems of worker alienation after extensive hearings on that subject in July of the same year. While no action was taken on the bill, we should not neglect the fact that to a limited degree, the U.S. National Commission on Productivity has been trying to disseminate knowledge showing the relationship between the many non-economic dimensions of work and the growing problem of productivity in our country. A few experiments in the private and public sectors have begun, with no results yet, because of the short time involved. The project in which I am actively engaged, with management and the Auto Workers Union -- an auto parts manufacturing factory -- is partially an outgrowth of that Commission's early support. But to come back to the Kennedy bill, I suggest that it be examined carefully by any other government seeking a more active role in this area.

Our departments and bureaus concerned with higher and professional education might also take a lead in encouraging colleges, universities, and professional-technical training centers to do even more than they are doing now, to develop and disseminate curricula for management and industrial engineering training, not only for current students but also for persons already employed in our workplaces -- along with trade union staffs. A great deal needs to be done to break down the walls and hostility between industrial engineers, traditional management types, and those behavioral scientists interested in helping to solve national problems associated with the topic I've been discussing here today.

As for other countries already moving onto this vague and controversial turf, France created in 1973 L'Agence pour l'Amelioration des Conditions du Travail, directed by a friend of many years standing, Yves Delamotte, once on the staff of the Ministre du Travail and also formerly director of the Centre des Sciences Sociales du Travail. He has also taught at Canadian universities. While the new agency is formally part of the Ministry of Labor, it is basically an independent agency. Its responsibility is not only to gather and diffuse knowledge about the factors affecting the quality of working life and its place in the economic problems of France, but also to actively encourage change experiments in French industry and commerce; and to assist in the training of a cadre of personnel in the theories and techniques centering around the improvement of working conditions, in order to increase the supply of specialists in this subject.

Given the unique nature of Canada, with its deep roots -- at least in Quebec and parts of Ontario -- in French culture, I should think that the Canadian government might want to pursue further the progress of that new type of program in France.

Finally, but not exhaustively, government itself must serve as a model in this field. New types of work patterns, including new uses of old and new technology, flexible working-hour patterns, and job enrichment, are as necessary in public agencies as they are in the private sector. If government is to venture into the other directions I've outlined above for the private sector, it cannot stand aloof from the effort as a mere outsider suggesting or ordering others to make their houses more perfect. The same social forces that are producing a new breed of worker in the general labor force are bringing about the same kinds of changes among those men and women who choose public service as a career. They want and deserve the same kinds of humanizing worklife conditions as the others -- and government, too, is undergoing a crisis in productivity that calls out for innovative solutions.

SUMMARY OF TESTIMONY

of

Dr. Harold L. Sheppard*

Senate Subcommittee on Employment, Poverty
and Migratory Labor

April 7, 1976

Mr. Chairman,

The subject matter for these two days of hearings, "Changing Patterns of Work in America," encompasses so many dimensions and specific topics and issues that are impossible to cope with in any one witness' brief testimony. I hope you will forgive me for citing, in cursory fashion, only a few observations and comments. Part of my own problem is that I am interested in nearly everyone of the specifics mentioned in your invitation to testify today.

No discussion of this broad topic which includes the need for encouraging more meaningful work opportunities for American workers can begin without recognizing the current unemployment scene, even while noting the recent decline in the general rate of unemployment. Obviously, job security is a *sine qua non*, a foundation for the development of meaningful work opportunities.

Nevertheless, it should be clear by now that even among workers with a high degree of job security and with relatively adequate wages, if the tasks they must perform in their work lives do not also provide opportunities for such things as autonomy and responsibility, and opportunities for performing quality work, they may still be highly dissatisfied with their jobs.

Fortunately, even during these months of high unemployment, this notion has been gathering momentum, and a number of encouraging

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signs are beginning to appear. In management and union circles, in government agencies — at the federal and local levels -- where only four or five years ago skepticism was typical, new programs designed to improve the quality of work life, often with positive results in productivity, are either being planned or actually put into effect.

I should add that by "quality of work life," I include health and medical features, and not simply the many intangible, psychological components of that work life. The National Institute of Occupational Safety and Health (NIOSH) is now engaged in a program of research — with applied implications that should please your fellow Senator from Wisconsin — dealing with the impact of certain kinds of non-physical job stress on selected health and safety indicators.

Coming back to the topic of unemployment, I would like to call to your attention the impact of joblessness, especially long-term joblessness, on the health and welfare of our middle-aged and older adult working population. My analysis of manpower statistics suggests very strongly that during a prolonged period of high unemployment, the numbers of older workers dropping out of the labor force take place at a much higher rate than during periods of economic growth.

One simple way of illustrating this point is to indicate that from 1964 to 1969, a relatively healthy economic period, the number of men 45 to 64 years old not in the labor force grew by nearly 27 percent, but in the next five-year period — characterized by rising unemployment rates— the male population 45 to 64 not in the labor force increased by a much larger rate, over 47 percent. In fact, during that last five-year period, the number of employed men in the same age group actually declined to some extent. This was not true in the 1964-69 period, when job opportunities were more plentiful.

Let me hasten to add that for all men, of all ages (16 and older), the total growth of the numbers not in the labor force was far below the growth, in both periods, of not-in-the-labor-force numbers of the men 45 to 64 years of age.

We know very little about what is happening to such workers today, as we have moved downward to a general unemployment rate of 7.5 percent. After weeks, often months, of prolonged unemployment what is the response of this age group of workers to the apparent increase in job opportunities? Have they become so discouraged that they are afraid of failure once again in the job search process? Can we even assume that they are as aware as the experts are of the increase in job opportunities? Apart from those who were on call-back status and unemployed only a short period of time, how many of them found re-employment at skill and wage levels equal to, or better than, their previous levels?

My own research over the years indicates that the "skidders," those older workers who lose their jobs and then eventually find new ones at lower skill and wage levels, suffer not only financially but also psychologically, as measured by such social-psychological scales as alienation and life satisfaction. These findings do not refer to anything about the discouraged workers, those who simply stop looking for work. In this connection, it is encouraging -- somewhat -- that the number of discouraged workers decreased by 5.7 per cent over the past three months (through March), and that the total decrease in numbers unemployed in March came from the long-term unemployed, those persons most likely to join the ranks of the discouraged workers. Even so, jobholding among adult men is still 600,000 below the peak of January of last year. More than half of the employment increase over the past twelve months consisted of adult women. Women are not necessarily taking the place of men in their old places of employment.

What may be happening is that the new kinds of job opportunities emerging are typically the ones held by women, and many of these may be part-time jobs which some women -- especially mothers -- may prefer.

Now let me try to relate some retirement policy matters to the topic of quality of work life. Retirement for many persons is partly a matter of escaping from undesirable jobs as soon as retirement eligibility is available. It is not always an act of positive behavior toward something. In my own research, as well as that of others -- including an excellent study of British workers by Dan Jacobson, of Tel Aviv University — the greater the strain in the job, the lower the degree of active worker decision-making in the job tasks themselves, the more machine-paced the work is, the greater the proportion of workers, of all ages, choosing to retire as quickly as possible.

All of which raises the question, to the degree that we succeed in this country in improving such features of job requirements — and many improvements are possible, contrary to some die-hards — will we also witness some decline in the readiness to leave the labor force, and thus retain valuable human resources that will continue to make vital contributions to the economic well-being of the society at large?

I have not dwelt here on the issue of work-sharing, which I know you are interested in. I do recommend your consideration of the report by Governor Carey's task force on unemployment, which included representatives of unions from the auto, steel, and textile industries, as well as management representatives. In part, work-sharing can help to blunt the impact of "full unemployment" for large segments of a firm's workforce. It might also come about partly as a result of recent court decisions involving affirmative action in behalf of some groups of women and minority groups otherwise penalized, in their view, as a result of regular seniority provisions. If we assume some change in "life style" in other segments of our population, a shorter work week, or deliberate part-time work during the total week, may be desired by such population segments. Finally, while it might not be readily feasible now, and in all types of occupations and industries, husband-wife sharing of the same job should not be excluded in any imaginative, innovative planning for the changing patterns of work in America.

SUMMARY OF TESTIMONY

of

Albert S. Glickman, Ph.D.*

Senate Subcommittee on Employment, Poverty
and Migratory Labor

April 7, 1976

CHANGING SCHEDULES OF WORK: RESEARCH NEEDED IN SUPPORT OF FUTURE POLICY AND PLANNING

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MR. CHAIRMAN: I am Albert S. Glickman, Director of the Organizational Behavior Research Group of the American Institues for Research, a private, non-profit behavioral science research organization, located at 3301 New Mexico Avenue, N.W., Washington, D.C. 20016.

I appreciate the opportunity that the subcommittee has provided, to discuss the subject of "Changing Schedules of Work" and the research needed in support of future policy and planning. I am not representing A.I.R. or any other particular group. My testimony derives primarily from research in which I have been engaged with support from the U.S. Department of Labor and from the Organization for Economic Cooperation and Development. A copy of the monograph reporting this work, entitled Changing Schedules of Work: Patterns and Implications is offered for the record as a fuller exposition of my summary statement today. (~~Glickman & Brown, 1974.)~~

Times *are* changing. In the context of our theme today, I am referring particularly to the use of more flexible schedules of work as a means of increasing opportunities for improving the quality of life--at work and in one's free time.

As Professor Samuelson has pointed out,the study of changing patterns of work can be regarded as an investigation of the impact of a new technology upon values.

In years past, work schedules were dominant in determining the schedule and content of life styles and activities. Time off during the day, week, holidays, vacations and retirement were indeed *fringe* benefits.

This is no longer the case. In many occupations, holidays and vacations, regular two or three day weekends, retirement, and time for training and education already add up to more days off from work than days spent on the job. The chunks of free time are increasing in size, so that it now becomes possible to change one's style of life in significant ways.

Most of us here are aware of the increasing experimentation in recent years with new forms of the work week.

In the United States this has most often taken the form of some variant of the 4-day week--more hours per day; less days per week. In Europe, flexitime has been the more frequent innovation. The number of work days in the week has stayed the same, but the organizational work day has been stretched. So long as the worker as the worker is present during a core period of the day, when work load is heaviest, he may come and go at times that are earlier or later than other workers. In the last couple of years, flexi-time has been attracting increased attention in the United States as well.

But greater flexibility also brings accompanying problems. For example:

> Given the hypothetical case of a married female office worker with one child who shifts from the 5-day, 40-hour week to the 4-day, 40-hour week. She now has a day free to do shopping while her child is in school, and she can take the child to the doctor for his booster shots without taking a day off from work. Or, maybe she will use the time to take a course that will help her get promoted. But, the bus runs less often when she leaves work now, though she can get a seat that was full during the rush hour; and she has problems arranging for child care since the lady who has been taking care of the child is not available for all of the new 11 to 12 hour daily span; and her husband and child are not accustomed to early breakfast and late dinner. And, if the office goes on a rotating day-off schedule, her headaches are even greater. Longer weekends for her, but not her husband, raise questions that did not exist before.

A case like this illustrates the practical problems in attempting to get a true picture of the positive and negative effects accompanying such schedule changes.

The most crucial factor is that participants in new kinds of work schedules, become de facto members of a minority group, disadvantaged with respect to a host of public services and of interpersonal and interorganizational relationships, and legal constraints. So, a real test of these innovations is not provided by the isolated tryout by a single firm or factory. Overall, the number of workers involved in these experiments still make up a very small percentage of the workforce.

Failure to take adequately into account the contextual factors, and oversimplistic assumptions about the value of free time as an incentive for extra effort, or as a compensation for unattractive aspects of a job, may explain why the enthusiasm that so often accompanied the initiation of these changes has frequently faded when subjected to the reality test that actual experience provided.

These new patterns of working time are not a passing fad. Quite the contrary, given almost any historical perspective they may be regarded quite confidently as harbingers of things to come. Because of this, I would argue strongly for more systematic analysis and research now, so that we are better prepared to meet the future, and can better prepare people to make more satisfying use of time--particularly the larger chunks of free time becoming available that so many people are not yet prepared to use for personally and socially constructive purposes.

Some examples of rather basic questions that still need study are these:

What are the second and third order effects upon the individual on a new work schedule such as the 4/40 or flexi-time? How does the new schedule of working time influence the scheduling of other activities? Since the new schedule was implemented, have new activities been added, have others been modified, and have still others been dropped?

With greater flexibility in his/her schedule, does the individual become aware of new behavioral choices? Conversely, are new demands placed upon the individual's time? Is he/she prepared to cope with them and grow with them? What adjustments are required for individuals immediately and in the long run?

What transportation problems are involved?

What problems arise involving children when one or both parents are affected by a marked shift in schedule? How does the child react? Does the individual and the family have greater opportunities to come together or does separateness result?

The structural characteristics of time, space, place, pace, equipment, laws, contracts and organization of work upon which he is dependent often provide little or no room for changes in an individual's behavior. In other settings, the individual is his own tool bag and he can largely determine how to budget his own time and effort. And, the number of jobs where this type of freedom is possible is increasing. Flexibility can be programmed into rigid job schedules, for example, by making better use of available computer programs to give the individual more choice in the days and hours he reports to work.

Robert Kahn, in a paper commissioned by the "Work in America" task force (O'Toole, 1972), blueprinted a modular system to suffuse even lower level jobs with flexibility. He would break down the work day into units or modules that represent the smallest amount of time on a given task that is large enough to be economically feasible; e.g., workers could decide how to use their time--working a two-hour module on one task; the next two hours on another task, etc. The modules would provide variety, a chance to learn new tasks, help the scheduling of one's work to meet personal needs (child care, schooling) and open up needed part-time employment.

Such sophisticated tools can be used to assure that the job gets done, while more nearly optimizing the benefits for all.

We can also foresee an increasing demand for flexibility in working time. Past demands have usually focused upon decreasing the number of hours spent working. Although most workers still show a preference for more income over leisure, as more and more people exceed the minimum acceptable standards for quality of life, there will be more striving for individual fulfillment in attractive ways that require more free time than income.

New requirements must be met with new policies. These policies must assure that the quality of life can be raised and extensively shared--rather than devalued by confusion and frustration.

We shall need policies to deal with the conflicting roles, purposes, and values, of trade unions and employers, for example. Both parties are likely to agree that the patterns of working time should be organized so that the individual worker ultimately derives the maximum possible benefits. However, there are disagreements as to what constitutes a benefit and how it is to be achieved.

An increasing rate of change and occupational mobility within a context of greater flexibility will also place heavy demands upon management, unions, government and our social institutions to make reality out of the ideal of "lifetime learning."

Institutions must also change. For them to be sluggish in response to demands, is to risk their credibility and viability. Cultural lag that spans even one generation is no longer tolerable. The conditions and values of life now change too fast to allow such indulgence.

Indeed, our institutions must adopt policies which have self-renewing flexibility built into them so as to be able to sensitively react to change. It is difficult to legislate flexibility. Yet, it is possible for government or any organization, to take the lead in supporting the necessary research for establishing and changing policies.

The possible role of new patterns of working time in stabilizing the labor market is an example. What can we expect? For many employers, a large dividend may accrue. A greater range of production, scheduling, work programming, and placement adjustments might contribute to less lay-off, slow-downs, absenteeism and work stoppages. Greater flexibility within and between organizations also opens up the job market to more women, older individuals, and the physically and socially handicapped. Contrary to conventional wisdom, we might ask whether stability in the labor market can be fostered through allowing more people to work for more than one employer.

It is not unreasonable to expect that increasing regulation of productive enterprise and work activity will be accompanied by comparable increases in control of non-work or leisure time activities. If people work on a greater variety of schedules, the complexities involved in coordinating the schedules of transportation, factories, stores, churches, schools, public services, and so forth, must be dealt with. And, the opportunities provided to learn how to use free time more satisfactorily must keep pace.

Policy must incorporate a longitudinal perspective. Thus, for example, it is possible that in the future individuals may vie to become "workers," not because they need more money, but because routine work will become fully automated, and the people who are workers will be the relatively few who have a chance to do stimulating things that are not pre-programmed. With mounting security and affluence, there may be a decline in the incentive value of consumer goods. "Is it worth it?" may be a more prevailing attitude among those who "never had it so good," as the behavior of young people gives mounting evidence.

Again, the dividends of greater flexibility may only accrue if the increased complexity involved is dealt with by long-term planning and coordination of all parties concerned, and in all sectors of society. If adequate policies are not adopted to deal with these problems, then the potential benefits of greater flexibility to enrich life may never be realized.

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Senator NELSON. We will resume hearings tomorrow morning at 9:30.

Thank you very much.

[Whereupon, at 1:20 p.m., the subcommittee recessed, to reconvene at 9:30 a.m., Thursday, April 8, 1976.]

CHANGING PATTERNS OF WORK IN AMERICA, 1976

THURSDAY, APRIL 8, 1976

U.S. SENATE,
SUBCOMMITTEE ON EMPLOYMENT, POVERTY,
AND MIGRATORY LABOR OF THE
COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:30 a.m., room 6202, Dirksen Senate Office Building, Senator Gaylord Nelson (chairman of the subcommittee) presiding.

Present: Senators Nelson and Javits.

Senator NELSON. The Senate Labor and Public Welfare Subcommittee on Employment, Poverty, and Migratory Labor holds its second oversight hearing today on "Changing Patterns of Work in America."

Yesterday, the General Accounting Office, the Assistant Secretary of Labor for Policy Evaluation and Research, a group of industrial representatives and two scholars from the American Institutes for Research presented testimony to the subcommittee.

Today the subcommittee will receive testimony from another group of witnesses who will discuss various ongoing programs designed to improve American worklife.

During these initial hearings, a broad range of topics including job satisfaction, flexible working hours, part-time work, job sharing and alternative working arrangements are being examined. But the subcommittee also is interested in establishing what agencies or individuals in the executive branch of Government are responsible for coordinating research, information, and programs dealing with the quality of worklife.

At the subcommittee hearing yesterday, none of the witnesses were able to identify a lead agency or Government official responsible for the Federal Government's various efforts to improve working life in America. Perhaps that question can be answered here today.

The need for a coordinated approach to what has been termed "improving the quality of working life" is clear. One research report conducted under the auspices of the Labor Department found, for example, that at least 12 units of the Federal Government are sponsoring research of planning future programs concerned with the quality of working life.

One national center and a series of regional centers on the quality of working life recently have received Federal funding and other centers are under active consideration for funding. One percent of the Nation's 2.8 million Federal work force—28,000 individuals—are engaged in a flexible hours work plan, and the General Accounting Office has suggested that additional employees ought to be employed in alternative work schedules likes shorter workweeks and flexitime work schedules.

When all this activity is taken together with the efforts of the private sector, it becomes evident that without systematic planning among these groups, a great deal of duplication and unproductive efforts will occur.

It just doesn't make sense to proceed experimenting with and studying these various quality of worklife issues without the benefit of an overall plan, a well-thought-out roadmap to follow.

The subcommittee is very appreciative of the time and effort each of the witnesses has taken to be with us today, and we look forward to this morning's testimony.

Our first witness this morning, representing the Civil Service Commission, is Georgiana Sheldon, vice chairperson, and Barbara Fiss, personnel management specialist.

If your would, identify your associates for the reporter so the record will be accurate. Did you present prepared testimony?

Ms. SHELDON. Yes, I have.

Senator NELSON. Your statement will be printed in full in the record. You may present it however you desire after identifying your associates.

Ms. SHELDON. Mr. Chairman, I would like to present Elsa Porter, on my left, who is director of the Clearinghouse for Productivity and Organizational Effectiveness; on my right, Barbara Fiss, project officer for flexible work-hours; and on my extreme right, Thomas O'Connor, assistant director, Office of Staffing Policies.

Senator NELSON. Thank you.

Go ahead.

STATEMENT OF GEORGIANA SHELDON, VICE CHAIRPERSON, CIVIL SERVICE COMMISSION, ACCOMPANIED BY BARBARA L. FISS, PROJECT OFFICER, FLEXIBLE WORK HOURS, BUREAU OF POLICIES AND STANDARDS; ELSA PORTER, DIRECTOR OF CLEARINGHOUSE ON PRODUCTIVITY AND ORGANIZATIONAL EFFECTIVENESS; AND THOMAS O'CONNOR, ASSISTANT DIRECTOR, OFFICE OF STAFFING POLICY

Ms. SHELDON. Mr. Chairman, it is a pleasure to appear before your committee this morning to discuss the subject of alternative work schedules and the activities of the Civil Service Commission with regard to these programs.

For the past 2½ years, the Civil Service Commission has become aware of programs which have been introduced in Europe and in the private sector of the economy which, while varying greatly in design, have all been efforts to seek alternatives to the traditional, fixed 5-day work schedule.

Although alternative work schedules generally encompass the concept of flexible work hours and compressed workweeks, we have concentrated our efforts on flexible work scheduling for two main reasons. First, we believe that the greatest benefits for both management and employees will be found in flexible work schedules.

Second, compressed work schedules are not permissible under current provisions of title 5, which require the payment of overtime to employees after 8 hours in 1 day.

Senator NELSON. Let me ask a question about that. Compressed work schedules are not permissible if the individual involved works in excess of 8 hours in a day or 40 hours a week or both?

Ms. SHELDON. Both.

Senator NELSON. Both.

Ms. SHELDON. Yes.

Senator NELSON. So far as the Federal code is concerned, involving Federal employees, it would not be possible to have a 10-hour day?

Ms. SHELDON. That is correct.

Senator NELSON. Without paying overtime?

Ms. SHELDON. Without paying overtime.

Senator NELSON. But that provision in the code would or would not prevent a schedule in which two people shared that job as long as neither worked over 8 hours in a day?

Ms. SHELDON. As long as they did not work over 8 hours a day.

Senator NELSON. There is nothing in the statute that would prohibit that, part-time employment or whatever, as long as it wasn't over 8 hours?

Ms. SHELDON. This prohibition effectively precludes compressed schedules due to the high overtime cost which would be incurred.

While the flexible hours programs which are most common in Western Europe permit certain variations in the length of workdays and workweeks so long as the employee maintains a specified average number of work hours, such programs are also currently prohibited in the Federal Government due to the nature of the overtime laws which do not permit employees the choice to vary or extend work hours beyond 8 in a day or 40 in a week without overtime pay.

We are devoting attention to flexible hours programs, or flexitime as it is popularly called, because we believe there is sufficient evidence that these programs may positively impact upon such critical areas as productivity, availability of Government services to the public, increasing the use of existing transportation facilities, reducing energy consumption, and easing commuter traffic problems.

Our belief is reinforced by a growing collection of reports from both the U.S. private sector and European experience. In the Federal Government, we now have approximately 30 organizations representing more than 28,000 employees who are engaged in flexible hours programs.

Our records show that an additional 87 Federal organizations currently have formed a study group or a task force to look into the feasibility of these programs for their organizations.

In analyzing the reports from those organizations which have already implemented a program, we have attempted to categorize the results in order to identify major trends. While a number of the findings reported are subjective in nature, they nonetheless reflect attitudes of employees and supervisors concerning the flexitime system of work scheduling.

Many organizations have reported either a perceived increase in productivity or objectively measured change in output. These increases appear to result from the interaction of a variety of factors.

For example, one Bureau in the Department of the Treasury has noted that in four of five branches where flexitime was implemented, there was a substantial decrease in sick leave usage. These decreases range from 10 to 41.4 percent.

Another Washington area program also reports major reductions, particularly in short-term leave usage. For example, sick leave usage of 1 hour or less has been reduced by 16 percent since the introduction of flexible hours. Annual leave usage of 1 hour or less is down 77 percent.

Senator NELSON. What do you mean "annual leave usage of 1 hour or less"?

Ms. SHELDON. Of taking 1 hour's annual leave in a day. That has decreased, since people now have the option of doing errands on their own time, rather than taking time from the workday.

Senator NELSON. Under the Federal regulations, an employee is entitled to take that small amount of time under accumulated leave?

Ms. SHELDON. That is correct, sir.

Senator NELSON. At his or her option at any time?

Ms. SHELDON. Subject to the supervisor's approval.

It is evident from these and similar figures received from other organizations that given the opportunity, many employees are not only willing but anxious to conserve leave. Even where the basic output per hour, either measured or perceived, remains the same, every hour of sick leave or leave without pay which is not taken is an additional productive hour on the job without resorting to the payment of costly overtime.

The U.S. Information Agency reports that in an Accounts Payable and Claims Section where productivity was objectively measured, the ratio of vouchers processed to those received during the flexitime trial period improved by 4.5 percent, and the backlog of vouchers was reduced by 16 percent.

Several organizations have reported saving 1 to 2 staff hours per week in what was previously excused tardiness. Because a worker's day begins when that employee arrives at the office, tardiness as a concept is virtually eliminated.

Finally, the opportunity to accommodate to personal preferences for either an early or late starting time appears to affect productivity positively.

Because of the implications which alternative work schedules appear to have for productivity, information on these schedules has become an integral part of the outreach program of the Commission's Clearinghouse on Productivity and Organizational Effectiveness.

In daily contacts with the research and academic communities, Federal agencies, labor and personnel offices, our clearinghouse is answering inquiries and actively generating interest in this program wherever it appears an alternative work schedule will enhance organizational effectiveness.

As mentioned earlier, we believe flexible hours may have an impact in several energy-related areas. At the U.S. Army Natick Laboratories in Massachusetts where 1,200 employees were included in a test program, one of the biggest problems had been severe traffic congestion due to extremely limited access to the base. According to their personnel office, this problem has been relieved.

In another transportation-related report, the Air University states that in a flexible hours program covering approximately 1,000 employees, carpools have increased by 2 to 3 percent. The flexibility to select arrival and departure times, thereby increasing the opportunities for forming carpools, has been credited with this increase.

A number of other studies are currently underway which indicate a strong interest in the implications of flexible work hours for traffic, transportation, and energy consumption. The Federal Executive Board of San Francisco is currently involved in a study project with the chamber of commerce to seek ways to increase utilization of mass transportation, especially the BART system, and generally ease commuter problems by a redistribution of traffic over an extended time period, both morning and evening, through the use of flexible hours.

Last week, we were advised that the Baltimore Regional Planning Council has received approval for a 16-week study to determine the impact and implications of a flexible hours program for the Baltimore metropolitan area.

There is no question that one of the most consistent comments received from employees in flexible hours programs is the relief of traffic congestion and a reduction in commuting time. How substantial the reduction might be depends upon the degree of flexibility available, the operational limits established in the program, the hours selected for commuting time, and the degree of congestion in the urban area. Reductions of as much as 50 percent have been reported. Such reduced traveltime must necessarily affect the level of gasoline consumption, and we believe this is an important area deserving further study.

An additional area to be studied in which flexible hours may provide some relief concerns the proposed changes in rate structure for the consumption of electricity. On November 16, 1975, the Washington Post reported that the Public Service Commission ordered Pepco "to install new meters for large customers and to prepare inauguration a year from now of a drastic change in electricity pricing." Under the new rates, prices will be highest during the peak-use periods of the morning and late afternoon and lower at other times of the day and night.

More recently, the Post reported that Virginia Electric Power Co. would "participate in a nationwide study of peak-load pricing concepts, under which users pay higher prices for electricity when demand for power is the greatest."

We believe it is important to explore all means possible to minimize the higher costs for the Government and for the individual consumer which such new pricing policies would surely bring. While at this point in time not a great deal is known of the specifics of such a program, we intend to monitor future developments.

There are two additional aspects of flexible hours upon which I should like to touch briefly. First, the opportunity to increase the availability of Government services to the public at little or no increase in cost, and, second, the improvements in humanizing the work environment for the individual.

We know from the results and reports we have received, that given the opportunity to choose, a significant number of employees will select starting times that are either earlier or later than their previously assigned starting times. Therefore, the natural preferences of employees may result in expanded coverage in an office. This could allow an organization with public interest contact to extend its hours of service with no increase in personnel costs.

Flexible work schedules may encourage entrance into the labor force of talented and skilled personnel who are unable to work standard hours. The increased degree of personal freedom characteristic of flexible schedules could be particularly important to individuals with child-care responsibilities.

Persons who have not been able to enter the labor market because family demands made conformity to traditional work schedules impossible may now find this obstacle removed.

While we have concentrated our remarks upon the benefits of flexible hours, we recognize that alternatives to current work schedules will not be possible in all kinds of work situations and that careful and thorough analysis is necessary to insure that these alternatives are in fact supportive of organization goals.

Some organizations will find that due to such considerations as limited work stations, multiple shifts, and a high interdependency among workers, the continuation of a fixed work schedule will be in their best interest.

If flexitime is installed without proper analysis and planning, there could be undesirable effects on interagency contacts, availability of key personnel, and timeliness of responses. Further, extending hours of operations could increase some overhead costs such as heating/cooling, lighting, and security.

At this time, we have not identified any substantive increases in this area; nonetheless, more specific efforts are needed to identify, isolate, and evaluate potential cost areas.

While we are encouraged by the results of the programs which have been implemented in the past 2 years, all of these programs are being conducted within the limits of current laws and regulations.

Because we believe this is a concept which may impact upon many aspects of our individual lives, our society, and our economy, a bill has been introduced in the House which would amend the necessary overtime laws to permit agencies to participate, on a voluntary basis, in a program of carefully controlled experimentation with additional forms of alternative work schedules.

If you have any questions, we will be happy to answer them.

Senator NELSON. Yesterday the GAO addressed itself to the question of the constraints within the United States Code on compressed schedules, and so forth, and recommended changes in those sections of the code, endorsed in general, as I recall it, the legislation that has been introduced on the outside.

Does the Civil Service Commission have a formal position on the pending legislation to change the statutes that limit the flexibility and utilization of compressed time or other programs?

Ms. Sheldon. Barbara Fiss will respond to that question.

Ms. Fiss. The bill, H.R. 9043, as it was originally conceived would have established a master program plan to allow controlled testing of all forms of flexible and compressed work schedules.

The system would have allowed agencies to participate on a voluntary basis after careful organizational analysis to determine if it was appropriate for their organization.

The bill currently has been reported out of the full committee, but it has been amended. The amendments would make it mandatory for all agencies to conduct experiments with either compressed or flexible work schedules.

Our position at this time is that we do not feel it is appropriate for agencies to have these type of schedules imposed upon them because we perceive these schedules as alternatives to current traditional work schedules and not replacements for those schedules.

Therefore, we currently oppose enactment of a bill which would place a mandatory requirement upon Federal agencies in this area.

Ms. Sheldon. Mr. Chairman, if the mandatory requirement were not included in this bill, which it was not originally, we would support it.

Senator Nelson. You do support the change in the United States Code that prohibits, or rather that inhibits the use of compressed time because of the requirements of overtime?

Ms. Sheldon. That is right.

Senator Nelson. Would you oppose the bill if it just mandated that the agencies think about it?

Ms. Sheldon. No. If the agencies wish to do it——

Senator Nelson. That is the hardest part of the job.

I raised the question yesterday respecting Federal Government programs that are being conducted, and you made reference to them, involving some 28,000 Federal employees, which is about 1 percent of the Federal work force, isn't it, 2 million 8?

Ms. Sheldon. Right.

Senator Nelson. I raised the question, the general question, of who is in charge; that is to say, where is the responsibility in the executive branch, if there should be a responsibility there, if it were centralized, for suggesting or preparing plans for experiments within the Federal sector on various kinds of shared jobs, flexible programs, changes in the workplace, any kind of experiments that could, as a practical matter, be conducted by the Federal Government. Who or where, if any place, does the responsibility for designing studies and making those plans lie?

Second, where is the responsibility for conducting educational forums to advise or, rather, to provide information for both the public and private sector on experience with such plans?

For example, the Nestle Corp. testified yesterday that they introduced their plan based upon a story they read in some magazine about some program, I think, in Europe. It interested them because some executive had read it, so they became interested and instituted the plan.

Where does the responsibility lie for conducting educational forums on this question and providing information for the private and public sector? Where does the responsibility lie for collecting—surveying and collecting information of what is going on in the private and public sector, and should it all be in one place?

Now, when I raised the question with, I think, probably both the GAO and Labor representatives, Mr. Weiss and Mr. Krieger, Mr. Weiss of the Labor Department yesterday, and Mr. Krieger of the GAO, one of them—I guess it was Mr. Weiss—said that he thought we ought to ask you that question.

Well, he spoke very favorably. I responded, saying that it seemed to me that that should not be the exclusive jurisdiction of any one agency since the role and function of the Civil Service Commission does involve all personnel.

On the other hand, the kind of jobs performed and the implementation of programs and plans, or experiments, do fall within the jurisdiction of Cabinet officers in a whole number of departments, each of which has various kinds of jobs. Probably they almost duplicate everything that is done in the private sector. If you include Government contracting with the private sector, we do duplicate everything that is done.

In asking this question who is in charge, I couldn't get a response as to who is in charge from the Labor Department, the General Accounting Office, nor from Hal Sheppard and Albert Glickman of the American Institutes for Research.

Where do you think it resides, if it does; and if it doesn't where should it reside; and what recommendation do you have in order to try to bring this whole thing together?

Ms. SHELDON. I will let Elsa Porter start on this, and then I will respond.

Senator NELSON. Just a short answer will do.

Ms. PORTER. In reply to the first part of your question, who is in charge in the Federal sector, the Civil Service Commission has responsibility for collecting information on new, innovative, better ways of managing the work force and to meet that responsibility——

Senator NELSON. Better ways of managing the work force within the Federal sector?

Ms. PORTER. That is correct, within the Federal sector. And to meet that responsibility in 1973, the Commission established a Clearinghouse on Productivity and Organizational Effectiveness, a very small staff. We try to keep our fingers on what is going on in Federal agencies, and when we find examples of really good things that we think ought to be followed in other agencies, we give it wide distribution.

We disseminate information through mailing lists—through meetings, seminars, workshops and so forth. So we have the responsibility within the Civil Service Commission for both research, development, and dissemination of information about improved work practices within the Federal sector.

Senator NELSON. All right, that is within the Federal sector. Where in the Federal sector, the Civil Service Commission or elsewhere, is the responsibility for designing programs to be experimented within the Federal sector? In other words, the one place that we have the authority to design and implement experiments in the workplace is in the Federal Government?

Ms. PORTER. That is correct.

Senator NELSON. We don't have the authority to impose it on the private sector. We might suggest it. You might give R. & D. funds or other kinds of things. The one place where total flexibility in determining what we ought to do at the decisionmaking level is in the Federal Government?

Ms. PORTER. That is correct.

Senator NELSON. Now, where is the responsibility for doing the planning, to decide what kind of experiments should be conducted? You told me that Civil Service Commission collects information about experiments that are going on. Who proposes experiments?

Ms. PORTER. The proposals come from some of the agencies themselves, from labor unions; and within the Civil Service Commission, we have a Personnel Research and Development Center, which as an organizational psychology section studying work experiments.

We are in touch with the people in both the public and private sector who are concerned with improving organizational effectiveness, so there is a great deal of thought and activity going on across the country, and we bring that together within the Civil Service Commission. We have responsibility, then, for proposing experimentation and assisting agencies in experiments, so that it really is a joint endeavor, although the Commission has responsibility itself for the personnel management aspects of the entire Federal work force.

Senator NELSON. I am a great believer in collecting the bubbling ideas that occur at the grassroots, because there are lots of them there.

I am also a great believer in having a head organization. In other words, you can have loads of values, but where is the group and where is the responsibility of sitting down and designing experiments to be tried in the Federal sector on all of these various workplace problems, and where is the authority then to propose that we will now try shared jobs?

Control Data testified here yesterday, they did a very creative thing. They started a little business. It is a minority business. They set the schedules and did a survey at the community.

They found out, and I believe they said it is 90 percent minority, managed by minorities, it is a profit enterprise, absenteeism is lower than in the rest of the corporation, sick leave is low, time schedules are met better, and they surveyed the community and found women with children who want to work but they can only work while the children are in school, and all of the various problems you are well familiar with, so they set up a schedule in that plant.

You could select to work 3 hours a day, which was one schedule; 6 hours a day was another, and I forget what the third one was, which was either 4 or 5, so people who could work 3 hours got a job and worked 3 hours every day and those that could work 6, worked 6, and those that could work 4, worked 4, and it has been very successful. They went ahead and did that on their own.

Where is the responsibility, if there is any, and the authority to proceed to design a plan and say, now, we have collected a lot of information, we know what is going on elsewhere in the country and it is all nice information, we will disseminate it, it is nice for people who have it in their hands if they want to use it, but where is the responsibility in the Federal Government for proceeding to design programs and implement them, and who has the authority, if anybody?

Ms. PORTER. The authority for designing and implementing experimental programs rests with the agency heads, so any agency, any Federal agency may undertake any kind of experiment that the agency wants to undertake within the bounds of the laws and regulations.

In the instance, for example, of flexitime, it was the Social Security Administration which wanted to experiment with flexitime. The Civil Service Commission, having information about the advantages of flexitime, was happy to see experimentation taking place, so that jointly with the Social Security Administration we helped them to design a flexible work time experiment which met the constraints of, the limits of the statutes. So it really is a shared responsibility.

Senator NELSON. That means, doesn't it, that there really isn't any responsibility? Now, really, wouldn't you agree, you hire an agency head and that agency head may be the finest administrator and the most efficient person in the world, but it would be a rare agency head or department head in the private or public sector, or anyplace else, raised in the tradition of how we now operate who also could set aside and collect the people and say, now, here is some good ideas, let's begin them here. All that does is rely upon the accident of somebody's thoughtful or creative thinking of an idea.

My precise question is where is the responsibility, who is in charge, where is the leadership, where is the planning so that you can go back to the agency heads and educate them. Where is the responsibility for designing proposals, evaluating them and then implementing them in the Federal sector? There isn't any such agency, is there?

Ms. SHELDON. There is not.

Senator NELSON. And you would or would not have, after collecting information on what is going on, you would not have authority to set up a design group who after careful evaluation says we would like to have you in the Interior Department or Park Service or Bureau of Mines or over in Commerce or NOA or elsewhere, to try this project.

Ms. SHELDON. Under existing authorities we do not have that right, sir.

Senator NELSON. Do we need it?

Ms. SHELDON. I think somebody needs to be the central focal point for this kind of thing, yes.

Senator NELSON. We don't want it to be like——

Ms. SHELDON. It is like so many other programs——

Senator NELSON [continuing]. Like the time John L. Lewis walked out of the AFL convention and attacked Bill Greene and said that the AFL hasn't got a head, it has a neck and it grew up and haired over.

That is the situation we are in unless somebody is in charge, isn't that right?

Ms. SHELDON. That is right.

Senator NELSON. Do you have any ideas on how that ought to be designed? Don't you have to have a Cabinet member involved? Don't you have to have some kind of central place where after collecting the materials the ideas are designed?

Ms. PORTER. I would like to respond to the second part of your question, your earlier question, because I believe that might partially answer the first.

There is another organization in the executive branch called the National Center for Productivity and Quality of Working Life.

Senator NELSON. With the Vice President in charge of.

Ms. PORTER. That is correct.

Senator NELSON. He has the highest quality of life of any of us.

Ms. PORTER. The National Center was established last November as a successor agency to the National Commission on Productivity. I see this morning that the acting executive director of the National Center is here, Mr. George Kuper.

The National Center has responsibility by law for coordinating research and information throughout the country in both the public and private sectors on experiments in improving both productivity and the quality of working life, and we work very closely with them.

By agreement with them, the Civil Service Commission has retained and is continuing its program of experimentation and information for activities of Federal employees, but the National Center is now building a very significant research and information program for the country as a whole.

Senator NELSON. Does the Commission on Productivity have any authority to direct the implementation of any proposal in the Federal service?

Ms. PORTER. No, sir, to my knowledge it does not.

Ms. SHELDON. Mr. Chairman, the bill before the House at the present time, as it was amended, deleted the proposal for the Commission to be the central coordinating agency for flexible workhours.

Senator NELSON. Do you or don't you view it as a substantial problem that there is no head to the——

Ms. SHELDON. Yes, I do.

Senator NELSON. I don't expect, unless you do have the answer, I don't expect you to answer off the top of your head, but if you do have some suggestions on how you think where that authority ought to be and how it ought to be designed, we would appreciate having it for the record.

Ms. SHELDON. All right, we will supply that for the record——

Senator NELSON. I know you were addressing yourself to the Federal employees. You did not address yourself to the question of part-time work or shared time, shared job. Do you have a view on that?

Ms. SHELDON. I do not. Tom O'Connor will address those questions, sir.

Tom.

Mr. O'CONNOR. The Commission strongly urges Federal agencies to utilize part-time employees wherever possible. For those who can work only on a part-time basis, for those of the physically handicapped who cannot work full-time, and for those who desire to continue their education, our position is one of encouraging agencies to utilize that source wherever it will fit their needs.

Senator Nelson. But there is no specific design of an experiment in anyplace in the executive branch where we would simply, as a calculated matter, design a program in a certain part of the country to experiment precisely with this kind of effort, such as Control Data?

Mr. O'Connor. Not that I am aware of, Senator. The GAO report on part-time employment in the Federal service, which Mr. Krieger referred to yesterday in his testimony, did describe a number of ongoing efforts in individual Federal agencies, such as the Internal Revenue Service, the Social Security Administration, and the Department of Housing and Urban Development, to utilize part-time help, and that has been going on for a number of years. While I believe there were some problems noted, I think overall the report was quite favorable on their usage.

Senator Nelson. It is one thing, I guess, to use part-time help, which almost every large organization does nowadays, but the Federal Government is the largest employer in this country and we spend a lot of time telling the people in the private sector that they ought to be giving opportunities to those who have been deprived of opportunities, and we have tried to encourage employers to take people and do on-the-job training, get them into the work force, provide them an opportunity, but I don't note any significant responsibility being assumed by the public sector to design specifically a program that aims at giving an opportunity to those who somehow or another missed it in lives.

Now, Control Data on its own did that in a very significant way. To say you have part-time jobs that can be filled, I would guess if you looked around most of those get filled by people who have more advantages, substantial advantages one way or the other.

Wouldn't it seem to you that the Federal Government could take a Federal Establishment in any State in the Union and just design a program by surveying the community; do just as Control Data did?

Here are people that want to work and they can't. They may want to get off Welfare, AFDC, but they can only work 4 hours a day. There is no 4-hour job any place for them. There are 3 hours or 6 hours. And couldn't you design a program and go into the community and say, all right, here are a series of jobs here that can be done and if you want to work 3 hours a day, we will hire you for 3 and somebody else for 3 or 4?

Don't we have a responsibility to, besides experimenting about satisfaction in the workplace, to provide a workplace for some people?

Mr. O'Connor. I think they have an excellent program, Senator. There are several things I might say in answering. Our statistics on part-time employment in Federal agencies do indicate an increase in each of the last 3 years in the number of part-time persons employed.

Many of your part-time programs are fashioned to the particular needs of an agency. For example, the Civil Service Commission itself uses part-time help in processsing retirement claims which lends itself, because of the nature of the workload to evening assignments.

The Social Security Administration uses part-time help in several capacities. But one that comes to mind is during the day, from around

10 to 3, when their offices receive most calls asking information about social security benefits. Other agencies utilize part-timers where they best seem to fit. I guess what I am saying is there may be no single program which would address all needs.

There is one problem which was referred to in the General Accounting Office report yesterday concerning employment ceilings. I say a "problem" because certain agencies have indicated it is a problem, and I would like to make clear that the Civil Service Commission does not set employment ceilings on Federal employment.

Senator NELSON. Well, that was OMB?

Mr. O'CONNOR. Yes, Senator.

Senator NELSON. OMB doesn't want any increase in the ceilings of employment statistics even if it would cost you less money. The reason for that is there is an annual or semi-annual report on the number of Federal employees, so even if you could economize using part-time help, the OMB would oppose it because politically the statistics look bad. There was no dispute about that at the hearing yesterday.

Now, I don't ask you to respond to that.

Mr. O'CONNOR. The GAO presents OMB's position on the need for ceilings. Let me say the Commission and OMB did join together in the joint statement in the basic Federal Personnel Manual, which is the Commission's bible for agencies to follow, saying that we certainly both encouraged maximum use of part-time employees wherever possible.

Senator NELSON. OMB's position we go within the current constraint on numbers.

Mr. O'CONNOR. Yes, Senator.

Senator NELSON. So if you could do a good job or even a better job with more numbers and less money, the OMB still would oppose it because of the numbers, which speaks for itself.

I guess that is all I have.

Thank you very much.

Our next witness is State Representative Midge Miller, honorary chairperson, Committee for Alternative Work Patterns.

Representative Miller is a member of the Legislature of the State of Wisconsin.

We are happy to have you here this morning.

Your statement will be printed in full in the record. You may present it however you desire.

STATEMENT OF HON. MIDGE MILLER, HONORARY CHAIRPERSON, COMMITTEE FOR ALTERNATIVE WORK PATTERNS, STATE REPRESENTATIVE OF THE STATE OF WISCONSIN

Ms. MILLER. Good morning, Mr. Chairman.

As you said, my name is Midge Miller and I represent the 77th Assembly District of the Wisconsin State Legislature.

I also represent this morning a rapidly growing number of representatives of national organizations, Federal Government agencies and labor groups, whose names you will find listed in the brochure that I have made available to your staff, and who last fall banded together under the name of the Committee for Alternative Work Patterns.

In their behalf, I thank you for the opportunity to speak here, and thank you even more for conducting hearings on what I believe is one of the important and long neglected questions of our time.

If I can digress a minute, I would like to give you my personal response to what I perceive to be the thrust of your question, which I thought was a very important question just now.

What I hear you saying is everybody's baby is nobody's baby, and my own experience in political life and in trying to get things done is that if you want something done there has to be somebody in charge, not everybody in charge, and that if there was a person in a department, or a department or a committee whose responsibility it was to promote it and whose bureaucratic neck was on the line if it wasn't promoted, you might be much more likely to have, not just an availability and encouragement, you might have a much more rapid growth.

I was very concerned about prisoner employment in the State of Wisconsin. Everybody said that there was nothing that decreased recidivism more than prisoner unemployment and it was a very popular concept, but nothing was happening at all. We inserted in the budget one position, actually, and some staff assistanceship. I think it cost the State of Wisconsin for our prisoner employment program something like $25,000 a year, a very minimal thing.

Within a few months we had secured from the Federal Government well over $500,000 in money to promote prisoner employment. We have had State conferences, we have actually a program now that employs prisoners.

Senator NELSON. Have you employed anybody?

Ms. MILLER. Yes, as a matter of fact they have. The $500,000 was actually used to put people to work. It wasn't just for more staff.

The point I am making is there is one young man who is very competent and very committed and who is not going to earn his salary if he doesn't promote it, and I think that is really what you are going to have to eventually do, is have some department in your bureaucracy where you can find a place to do it where they are not going to be succeeding and won't have their employment if they don't promote something like that.

Senator NELSON. If you set a standard that we all have to earn our salary, maybe none of us would be left.

Ms. MILLER. At least we certainly do make more effort when we have a specific responsibility that is ours.

Let us suppose our group that I talked about were to suggest a method for decreasing early deaths from heart attacks and other tension-related illnesses in middle-age men. Suppose this plan would also make education more relevant and help young people continue their education without a frightening accumulation of debt. Suppose it would give young children more time with both parents, help women find more satisfaction in their lives and enable them to support themselves when necessary. Suppose this plan would help elderly and disabled persons enjoy life more, make further contributions to society, and provide themselves a better standard of living without damaging their health.

Suppose this plan would avoid pitting group against group, would benefit all, while increasing productivity and saving money for employers.

Suppose finally that this plan would actually save the Government millions in reduced welfare, road building, and energy costs.

There is no doubt that liberals and conservatives, Democrats and Republicans alike would respond.

Well, we can develop such a plan if we can find the means for breaking certain rigid work patterns developed during the industrial revolution. We have learned how to produce. It is now time for us to take a fresh look at the needs of employees, employers, and society to find ways of humanizing our work options production.

I believe that a major change in the availability of part-time employment and increased flexibility of hours of employment can indeed provide the remarkable list I have been describing. We need to open our minds and adjust our laws and habits to encourage a diversity of work options. There are too many problems—for too many people—to justify continuance of present rigid attitudes.

I hope that others who spoke yesterday and who will speak later and subsequent work by the committee will ascertain the legislation needed to promote and facilitate the changes necessary to diversify and humanize the work options available to Americans. I will use my time to plead the case for change.

Our minds and behavior have become fixed. Full time work is considered the only serious work: rush hours are facts of life; commuter tension is an accepted cost of employment, road construction and public utility development are geared to accommodate peak demand.

Attitudes, reinforced by reward systems, legislation, tax regulations, pensions, overtime pay, and benefits are all geared to the full time worker. This system operates at the expense of people unable to work full time.

For many elderly and disabled people, a 40-hour week is too heavy a drain on their energies. They have skills and experience to offer, and a need to earn and to contribute to society. Increased welfare costs and the loss of productivity, as well as the financial and personal degradation associated with it, are created by an unwillingness to make work fit people's needs.

For many school-aged youth, remaining in school depends often on securing a part-time job. Many are discouraged from continuing their education because of fear of growing debts. Rather than encourage early departure from school, accommodation must be made to encourage both work and school. If our commitment to greater access to higher education is sincere, part-time jobs and flexible schedules must be a part of that commitment.

One reason affirmative action is not working very well is that women face circumstances that make the limited availability of part-time work serve as a form of de facto discrimination. Although women are participating more fully in the labor force, many women still have primary responsibility for the home and child rearing.

For some women with families, the choice is not the usual one between income and leisure, but between paid work outside and unpaid work at home. Part-time employment is hard to find, usually poorly paid, rarely challenging, and often without fringe benefits. For most women and most families, either option is too costly. Women are caught. If a woman does choose paid work, she usually ends up with two full-time jobs.

Although the labor force participation of women with children under 6 years of age has almost tripled in the last two decades, child rearing is still a major factor causing some women to interrupt and others to curtail their careers.

Choosing not to work for pay exposes women desiring work to the strains of nonproductivity, underuse of their skills, and a general sense of dependency and vulnerability.

In the long run, and I think this is terribly important to women, lack of continuity in a career generates a number of undesirable effects. Interruptions in a career make it less economical to invest in higher education, which discourages acquisition of skills.

Interruptions mean less experience and less seniority. Short-term participation by many women has led to discrimination in hiring. This whole process results in consistently lower wages for women. On the average, working women earn only 58 percent of the income earned by working men. Black women earn even less on the average.

I have read a number of figures but I think the figure of working women earning about 58 percent of the income of working men is pretty accurate. Black women earn even less.

Essentially what we are saying is millions of mature women face 20 to 30 years of unemployment or underemployment with resulting poverty and despair as a reward for having given their earlier years to the care of home and children.

Three of every five working women are married. Almost 42 percent of the children in this country have working mothers. An unconscionable number, 38,000 preschoolers, receive no adult day care at all. Many women have no choice but to work. Approximately 65 percent of working women in 1974 worked because of economic necessity: 19 percent were widowed, divorced, or separated; 23 percent, single; and 23 percent had husbands with incomes below $7,000.

Women who are not required to work by economic necessity, are still entitled to choose to do so. A 1968 survey concluded that 10 million unemployed housewives, aged 18 to 49, would have supplemented their roles in the home with gainful employment if part-time work had been available to them.

Speaking from my own experience, I was widowed in my early thirties with four children. Social Security provided only minimum support for my young family. I needed to work, but my children needed parenting, too. My case was by no means unique but I was one of the rare lucky ones. I was offered a job as assistant dean at the University of Wisconsin and permitted to work half-time. This allowed me to maintain my family and follow my own career.

Alternative employment patterns work, not only to the advantage of the individual, but to employers and society as well. A 1968 catalyst study of social workers indicated that, on the average, half-time employees handled an 89 percent caseload. In other cases where part-time workers are employed, the additional commitment, loyalty, stability, and productivity of part-time workers were recognized as major benefits to employers. Part-time employment increases the size and quality of the labor pool available and reduces employer costs related to time off and overtime, offsetting any additional administrative costs for extra workers.

Part-time employment can resolve some labor shortages. A particularly successful example is the use of two people to fill one teaching position. The Detroit school system was having difficulty attracting qualified teachers to the central city. Offering part-time positions solved the problem.

Nursing is another field where labor shortages have been solved by a part-time staff. The services provided by such part-time professionals are further enhanced by the diversity of talents two individuals bring to one job and the reduction of fatigue caused by the shortened workday.

A major benefit of part-time employment is that it can relieve some of the tension and lighten the responsibilities carried by men. Many men must work overtime and some even hold two jobs. 1971 health statistics indicate that the death rates from heart disease among men, ages 35 to 44, are 6½ times those for women of the same ages. Alcohol-related problems are also two to four times greater for men than women.

Now, I am not naive enough to think that this is the total reason, but I do think the pressure, particularly for men in middle years of employment, the pressure from the fact that they are the sole support of the family is a major cause of tension.

Two-income families provide greater freedom to the man to change jobs and find employment better suited to his needs and interests, and are less threatened by economic crises than families dependent on one breadwinner.

However, most workers work full time and will probably continue to do so by choice. For them the structure of employment can still cause problems because of inflexibility in hours.

Jobs with high interdependence of employees may need the easy flow of set hours, but the majority of jobs could be adapted to flexible hours in America as they are in Germany where more than 50 percent of the white-collar workers are on flexible time schedules.

People who work are also consumers and users of services. It is difficult to visit doctors, shop, bank, get a driver's license or register to vote. Time must be taken from work to cope with such daily maintenance problems. The result is tardiness, absenteeism, and overuse of sick leave, leading to the loss of income for the worker and loss of productivity for the employer.

Since most people are on similar schedules, there is unequal use of infrastructure ranging from roads to electricity to recreational facilities. We overbuild roads and electrical plants and parks to handle peak demands, but for a good part of every day these huge public investments go underused.

I think this is particularly important in relation to energy and plants, and I am glad the people before me spoke a little about this. I think it should be explored.

Avoiding the rigidity of eight to five could mean a more even use of existing facilities. Savings would be generated in the areas of energy, commuter costs and construction of public facilities, not to mention nervous tension.

Although our employment patterns suggest that there is a constant demand for labor every day, week, and month, all year long, in fact that isn't true. The result is either bored and costly employees or disruptive layoffs. By focusing on the rigid hours of work rather than on getting the job done, we reward nonproductive behavior. Flexibility permits better coupling of manpower needs with demand.

Studies indicate that every size firm and kind of operation from three-shift production work, to retail stores, to clerical work, have experienced success with experiments in flexibility. Improved worker morale, reduced absenteeism and tardiness and lower turnover rates are commonly cited advantages, along with increased autonomy felt by the worker.

Again, I would like to speak from my own experience. When I was interviewing applicants for an administrative assistant job for a committee I chaired, I was approached by several women wishing to work part-time. My response was, of course, "I'm interested in promoting part-time employment—but not in my office."

I had had the problem of having part-time interns. Invariably a bill came up on Tuesday or Thursday and the intern who had worked on it was only available on Monday or Wednesday. I knew for me the traditional a.m.-p.m. or alternate days part-time wouldn't work under legislative pressures I faced. But I did and I am glad I did it. I did exactly what I am asking other employers to do. I opened my mind to see if there wasn't some way it could be made to work, and I found what is a superb solution for us.

Because of the off-again, on-again nature of our legislative floor periods, a different approach to part-time and flexible hours proved to have great advantages. At maximum periods of activity, I have the assistance of two competent people, full-time. When nothing is going on, no one comes to work. The taxpayers are getting more than their money's worth. I am happy to boast that I'm the only State representative who has one administrative assistant in two places at one time.

I am aware, as I am sure you are, that part-time workers are susceptible to abuse if the job is not carefully structured with certain protections built in. Changes in work patterns must not come about at the expense of the decades of gains in conditions of work made by labor. If worker protection is to be guaranteed, part-time jobs must be offered on a permanent basis at all levels of employment. Workers must be guaranteed equal pay for equal work, prorated fringe benefits, seniority and advancement ladders, and all protections available to the full-time worker. Flexible working hours may require a review of present working-hour regulations, and new regulations may be required to prevent abuse of the flexibility by employers or employees.

And I think that is what they were discussing earlier from the civil service people, that just the very simple rule that you have to pay after 8 hours decreases the flexibility. It was brought there for protection, and it is going to require careful consideration to keep the protection without keeping the rigidity.

As a legislator, I understand the temptation to view the question of alternative work patterns as primarily the concern of the private sector. However, there is ample precedent in law for the Federal Government to be an active participant in social change where overriding public purpose is concerned. The 40-hour week, workmen's compensation, affirmative action, the right of workers to organize are but a few areas where the Federal Government has led the way.

Conversion of a certain percentage of Federal jobs at all levels to part-time positions, and continuing experimentation with flexibility in scheduling, would be an excellent start for the Federal Government setting the pace for other employers and proving the feasibility and desirability of such work structures.

In addition, the Federal Government can adjust taxes, unemployment compensation, social security and welfare regulations, as well as promulgate regulations which affect the willingness of employers to increase the number of part-time opportunities.

State governments and public institutions are presently confronting the questions surrounding alternative work patterns. In my own State of Wisconsin, the staff of the manpower planning section of the Department of industry, Labor, and Human Relations, has undertaken a study in this area. Our legislative council made a decision for an interim study of the ways in which Wisconsin State law affects part-time and flexible-time employment.

The need for alternatives is apparent and the interest is intense enough that in 5 short months since the decision, the conference coordinators of the Committee for Alternative Work Patterns, Gladys Henrikson and Gail Rosenberg, have been able to arrange the series of excellent meetings which follow this hearing.

They have also organized an ongoing repository of information on alternative work patterns and are already planning an expanded national conference in this city next year. In their behalf, I would like to invite you to the congressional reception at 5:30 this evening in room 318, Russell Senate Office Building.

In closing, we live in a society that values work. We reject those who do not work, yet we exclude many from participating by the way we structure work. The responsibility of work and rewards need to be more evenly shared.

We are overworking some while depriving others of the opportunity to make a living, and to belong to the world of work. People should have access to these experiences without ignoring their families or threatening their health. A restructuring of work could contribute to resolving these issues.

I would like to quote Felice Schwartz, who said, "The concern for clock and calendar will, hopefully, be replaced by concern with the need and capacity of the individual in relation to the job to be done."

It is time to open our minds and humanize work options. Thank you for allowing me to speak today.

Senator Nelson. Thank you very much for your very thoughtful contribution. We appreciate your taking the time to appear today and speak in behalf of the Committee for Alternative Work Patterns.

Thank you.

[The prepared statement of Ms. Miller follows:]

STATE REPRESENTATIVE

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CHAIRMAN:
Committee on
State Affairs

MEMBER:
Committee on Education
Education Communications
Board

April 8, 1976

TESTIMONY GIVEN BY

WISCONSIN STATE REPRESENTATIVE MIDGE MILLER

CONCERNING

ALTERNATIVE WORK PATTERNS:
PART-TIME AND FLEXIBLE-TIME EMPLOYMENT

PRESENTED TO

THE SENATE SUBCOMMITTEE

ON

EMPLOYMENT, POVERTY AND MIGRATORY LABOR

IN CONJUNCTION WITH

THE CONFERENCE SPONSORED BY

THE NATIONAL CENTER FOR PRODUCTIVITY
AND QUALITY OF WORKING LIFE
AND
THE COMMITTEE FOR ALTERNATIVE WORK PATTERNS

RUSSELL AND DIRKSEN SENATE OFFICE BUILDINGS
WASHINGTON, D. C.

Testimony of Wisconsin State Representative Midge Miller - Page 1

Good Morning, Mr. Chairman and members of the Committee. My name is Midge Miller and I represent the 77th Assembly District in the Wisconsin State Legislature. I also represent this morning a rapidly growing number of representatives of national organizations, federal government agencies and labor groups, whose names you will find listed in the brochure, and who last fall banded together under the name of the Committee for Alternative Work Patterns. In their behalf, I thank you for the opportunity to speak here, and thank you even more for conducting hearings on what I believe is one of the important and long neglected questions of our time.

Let us suppose that our group were to suggest a method for decreasing early deaths from heart attacks and other tension-related illnesses in middle-aged men. Suppose this plan would also make education more relevant and help young people continue their education without a frightening accumulation of debt. Suppose it would give young children more time with both parents, help women find more satisfaction in their lives and enable them to support themselves when necessary. Suppose this plan would help elderly and disabled persons enjoy life more, make further contributions to society, and provide themselves a better standard of living without damaging their health.

Suppose this plan would avoid pitting group against group, would benefit all, while increasing productivity and saving money for employers.

Suppose finally that this plan would actually save the government millions in reduced welfare, road building and energy costs.

There is no doubt that liberals and conservatives alike would respond.

Well, we can develop such a plan if we can find the means for breaking certain rigid work patterns developed during the industrial revolution. We have learned how to produce. It is now time for a fresh look at the needs of employees, employers, and society to find ways of humanizing our work options.

I believe that a major change in the availablity of part-time employment and increased flexibility of hours of employment can indeed provide the remarkable list of benefits I have been describing. We need to open our minds and adjust our laws and habits to encourage a diversity of work options. There are too many problems - for too many people - to justify continuance of present rigid attitudes.

I hope others who speak and subsequent work by the committee will ascertain the legislation needed to promote and facilitate the changes necessary to diversify and humanize the work options available to Americans. I will use my time to plead the case for change.

Our minds and behavior have become fixed. Full time work is considered the only serious work; rush hours are facts of life; commuter tension is an accepted cost of employment, road construction and public utility development are geared to accommodate peak demand. Attitudes, reinforced by reward systems, legislation, tax regulations, pensions, overtime pay, and benefits are all geared to the full time worker. This system operates at the expense of people unable to work full time.

For many elderly and disabled people, a 40-hour week is too heavy a drain on their energies. They have skills and experience to offer, and a need to earn and to contribute to society. Increased welfare costs and the loss of productivity, as well as the financial and personal degradation assocaited with it, are created by an unwillingness to make work fit people's needs.

For many school-aged youth, remaining in school depends often on securing a part-time job. Many are discouraged from continuing their education because of fear of growing debts. Rather than encourage early departure from school, accommodation must be made to encourage both work and school. If our commitment to greater access to higher education is sincere, part-time jobs and flexible schedules are critical.

One reason affirmative action is not working very well is that women face circumstances that make the limited availability of part-time work serve as a form of de facto discrimination. Although women are participating more fully in the labor force, many women still have primary responsibility for the home and child rearing.

For women with families, the choice is not the usual one between income and leisure, but between paid work outside and unpaid work at home. Part-time employment is hard to find, usually poorly paid, rarely challenging, and often without fringe benefits. For most women and most families, either option is too costly. Women are caught. If a woman does choose paid work, she usually ends up with two full-time jobs.

Although the labor force participation of women with children under 6 years of age has almost tripled in the last 2 decades, child rearing is still a major factor causing some women to interrupt and others to curtail their careers.

Choosing not to work for pay exposes women desiring work to the strains of nonproductivity, under-use of their skills, and a general sense of dependency and vulnerability.

In the long run, lack of continuity in a career generates a number of undesirable effects: interruptions in a career make it less economical to invest in higher education, which discourages acquistion of skills. Interruptions mean less experience and less seniority. Short-term participation by many women has led to discrimination in hiring. This whole process results in consistently lower wages for women. On the average, working women earn only 58 percent of the income earned by working men. Black women earn even less.

Millions of mature women face 20 to 30 years of unemployment or underemployment with resulting poverty and dispair as a reward for having given their earlier years to the care of home and children.

Three of every five working women are married. Almost 42 percent of the children in this country have working mothers. An unconscionable number (38,000 preschoolers) receive no adult day care at all. Many women have no choice but to work. Approximately 65 percent of working women in 1974 worked because of economic necessity (19 percent were widowed, divorced, or separated; 23 percent, single; and 23 percent had husbands with incomes below $7,000).

Women who are not required to work by economic necessity, are still entitled to choose to do so. A 1968 survey concluded that 10 million unemployed housewives, aged 18 to 49 would have supplemented their roles in the home with gainful employment if part-time work had been available to them.

Speaking from my own experience, I was widowed in my early thirties with 4 children. Social Security provided only minimum support for my young family. I needed to work, but my children needed parenting, too. My case was, by no means, unique, but I was one of the rare lucky ones. I was offered a job as assistant dean at the University of Wisconsin and permitted to work half-time. This allowed me to maintain my family and develop my own career....

Alternative employment patterns work not only to the advantage of the individual but to employers and society as well. A 1968 Catalyst study of social workers indicated that, on the average, half-time employees handled an 89 percent case load. In other cases where part-time workers are employed, the additional commitment, loyalty, stability and productivity of part-time workers were recognized as major benefits to employers. Part-time employment increases the size and quality of the labor pool available and reduces employer costs related to time off and overtime, offsetting any additional administrative costs for extra workers.

Part-time employment can resolve some labor shortages. A particularly successful example is the use of two people to fill one teaching position. The Detroit school system was having difficulty attracting qualified teachers to the central city. Offering part-time positions solved the problem. Nursing is another field where labor shortages have been solved by a part-time staff. The services provided by such part-time professionals are further enhanced by the diversity of talents two individuals bring to one job and the reduction of fatigue caused by the shortened work day.

A major benefit of part-time employment is that it can relieve some of the tension and lighten the responsibilities carried by men. Many men must work overtime and some even hold two jobs. 1971 health statistics indicate that the death rates from heart disease among men, ages 35 to 44 are 6 1/2 times those for women of the same ages. Alcohol-related problems are also 2 to 4 times greater for men than women.

Two-income families provide greater freedom to the man to change jobs and find employment better suited to his needs and interests, and are less threatened by economic crises than families dependent on one breadwinner.

However, most workers work full time and will probably continue to do so by choice. For them the structure of employment can still cause problems because of inflexibility in hours.

Jobs with high interdependence of employees may need the easy flow of set hours, but the majority of jobs could be adapted to flexible hours in America as they are in Germany where more than 50 percent of the white-collar workers are on flexible time schedules.

People who work are also consumers and users of services. It is difficult to visit doctors, shop, bank, get a driver's license or register to vote. Time must be taken from work to cope with such daily maintenance problems. The result is tardiness, absenteeism and overuse of sick leave leading to the loss of income for the worker and loss of productivity for the employer.

Since most people are on similar schedules, there is unequal use of infrastructure ranging from roads to electricity to recreational facilities. We over-build roads and electrical plants and parks to handle peak demands, but for a good part of every day these huge public investments go underused. Avoiding the rigidity of 8 to 5 could mean a more even use of existing facilities. Savings would be generated in the areas of energy, commuter costs and construction of public facilities, not to mention nervous tension.

Although our employment patterns suggest that there is a constant demand for labor every day, week and month, all year long, in fact that isn't true. The result is either bored and costly employees or disruptive layoffs. By focusing on the rigid hours of work rather than on getting the job done, we reward nonproductive behavior. Flexibility permits better coupling of manpower needs with demand.

Studies indicate that every size firm and kind of operation from three-shift production work, to retail stores to clerical work have experienced success with experiments in flexibility. Improved worker morale, reduced absenteeism and tardiness and lower turnover rates are commonly cited advantages, along with increased autonomy felt by the worker.

Again, I would like to speak from experience. When I was interviewing applicants for an administrative assistant job, I was approached by several women wishing to work part-time. My response was, of course, "I'm interested in promoting part-time employment--but not in *my* office." I had had the problem of having part-time interns. Invariably a bill came up on Tuesday or Thursday and the intern who had worked on it was only available on Monday or Wednesday. I knew the traditional a.m.-p.m. or alternate days part-time wouldn't work under legislative pressures. But I did what I am asking other employers to do--I opened my mind to see if there wasn't some way it could be made to work.

Because of the off-again, on-again nature of our legislative floor periods, a different approach to part-time and flexible hours proved to have great advantages. At maximum periods of activity, I have the assistance of two competent people, full-time. When nothing is going on, no one comes to work. The taxpayers are getting more than their money's worth. I am happy to boast that I'm the only State Representative who has one administrative assistant in two places at one time.

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Conversion of a certain percentage of federal jobs at all levels to part-time positions, and continuing experimentation with flexibility in scheduling, would be an excellent start for the federal government setting the pace for other employers and proving the feasibility and desirability of such work structures. In addition, the federal government can adjust taxes, unemployment compensation, social security and welfare regulations as well as promulgate regulations which affect the willingness of employers to increase the number of part-time opportunities.

State Governments and public institutions are presently confronting the questions surrounding alternative work patterns. In my own state of Wisconsin, the staff of the Manpower Planning section of the Department of Industry, Labor and Human Relations has undertaken a study in this area. Our legislative Council is considering a request for an interim study of the ways in which Wisconsin state law affects part-time and flexible-time employment.

The need for alternatives is apparent and the interest is intense enough that in 5 short months, the conference coordinators of the Committee for Alternative Work Patterns, Gladys Henrikson and Gail Rosenberg, have been able to arrange the series of excellent meetings which follow this hearing. They have also organized an on-going repository of information on alternative work patterns and are already planning an expanded national conference in this city next year. In their behalf, I would like to invite you to the Congressional Reception at 5:30 this evening in Room 318, Russell Senate Office Building.

In closing, we live in a society that values work. We reject those who do not work, yet we exclude many from participating by the way we structure work. The responsibility of work and rewards need to be more evenly shared. We are overworking some while depriving others of the opportunity to make a living and to belong to the world of work. People should have access to these experiences without ignoring their families or threatening their health. A restructuring of work could contribute to resolving these issues.

As Felice Schwartz said, "The concern for clock and calendar will hopefully be replaced by concern with the need and capacity of the individual in relation to the job to be done."

It is time to open our minds and humanize work options. Thank you for allowing me to speak today.

Ms. MILLER. Any questions?

Senator NELSON. I have questions for everybody but we are against a time constraint, so I am going to try to move along and be sure I don't get caught as I did yesterday and have to quit before we finish.

Our next witness is Sidney Harman, board chairman of the Harman International Industries, Lake Success, N.Y.

STATEMENT OF SIDNEY HARMAN, PH. D., BOARD CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF HARMAN INTERNATIONAL INDUSTRIES, LAKE SUCCESS, LONG ISLAND, N.Y.

Dr. HARMAN. Good morning, Senator.

Senator NELSON. We are very pleased to have you here this morning. Your statement will be printed in full in the record, and you may present it however you desire.

We are pleased to have you. In fact, we took testimony from somebody last year in the Small Business Committee respecting the experiment that your company has been engaged in. We are pleased to have you come and testify for the record.

Dr. HARMAN. Thank you so much.

I am Dr. Sidney Harman, board chairman and chief executive officer of Harman International Industries. Our corporate office is located at 3000 Marcus Avenue in Lake Success, Long Island.

My Ph. D. was earned in organizational and social psychology in 1973, the year in which our principal visible program of work improvement began. That was 4 years after I had returned to school in a search for the information and philosophical basis for our new program while still heading our business.

Because much of what I have to say may be regarded as the unrealistic mouthing of an idealist, I think it important to establish the fact that our company employs approximately 4,000 people in 13 manufacturing plants located principally in the United States, but also in England, Scotland, and Germany.

Our growth during the past 5 years has compounded at an annual sales rate in excess of 34 percent and at an annual profit rate of almost 39 percent. We will have total sales in the year which ends August 31, 1976, of approximately $140 million, and we will earn approximately $9 million, or nearly $4 per share, after taxes.

We are a thriving, growing, vigorous company measured by the most conventional standards. Our company showed the 93d best return on investment of all the companies listed in last year's Fortune 500.

It is my firm belief that the significant social invention which we have been developing during the past 4 years has made a powerful contribution to that growth, and will make a greater contribution in the years ahead.

At Harman International, we have two work improvement projects underway. One is approximately 1 year old and is operating at six Los Angeles-based manufacturing plants of the James B. Lansing Sound Co., one of our several high fidelity equipment manufacturing companies. High fidelity represents approximately 75 percent of our total business.

The second and more advanced project is located at our Automotive Division in Bolivar, Tenn., where automobile mirrors are made. The division represents approximately 25 percent of our total business.

The program was begun in the spring of 1973 when, as a consequence of a series of meetings with the United Automobile Workers Union, the company and the union jointly proposed establishment of the program to the work force and received its nominal, if somewhat puzzled approval.

Dr. Michael Maccoby, who had been heading a major study on character and work funded by Harvard University since 1969, was invited to direct the effort and to create a project group as a third force, in addition to the company and the union.

We chose to make our major effort in Bolivar because working conditions were by far the worst in any of our facilities, because Bolivar was a small, rural, Southern town in which many of the people employed by us had never worked in industry before, and because the plant was organized by a major national union in a "right to work" State.

In the late spring of 1973, the first major step was taken. An intensive base line study—one with which later studies could be compared—was conducted. Interviewers collected detailed data on workers' backgrounds, health and attitudes—base line data often lacking in earlier work improvement programs—as well as measures of plant productivity, such as performance to standards, absenteeism, turnover, overtime and scrap levels.

The crucial element in the study and everything that flowed from it was the recognition that people are different, that they cannot be and must not be perceived as replaceable parts in the machine. That awareness of the differences in people is critical to the program.

There are, for example, those with the ambition to make personal progress within the company. There are farmers for whom an 8-hour day is a genuine burden, and who can profit substantially by learning welding skills.

There are those for whom the work atmosphere and the associations and related activities developed there are most valuable, and there are those who wish only to do their jobs and go home, who are really not interested in more responsibility or more experiments.

These differences are not easy to take account of because industry has historically been designed to make all people the same. But understanding those differences is essential to understanding how the program must be responsive to them.

This is vital material to a program that works. It is its central truth.

Subsequently, the union and management established an ad hoc committee consisting of five members from each side. The committee, now known as the "Working Committee," became the soul of the project. Its first mission was to try to do something about the major complaints the survey had revealed. The committee quickly solved some parking problems, banned bill collectors from the premises, and set up a credit union.

In early 1974, the first experiment, using volunteers, was begun on a classic final assembly line. It began with a series of meetings that included workers, the foremen, the department supervisor, and the division's top technical man.

The workers indicated their desire to meet their production standards to rid the line of its frequent starts and stops and to improve housekeeping. Later, they decided to go further, to make the distribution of work more equitable and to improve each individual job.

Once workers knew that management not only listened to what they had to say, but cared about what they had to say, and was capable of respecting the value of what they had to say, a flow of detailed and often ingenious suggestions followed.

At approximately the same time that the project on the assembly line got underway, a program was begun in the polish and buff ~~department, a section of the plant where the work is~~ dirty, repetitive, and demeaning. One man said, "Polishing a long frame is more tiring than polishing a shell, and I get stuck on that for days at a time and for as long as a week. Is it possible to divvy up that work?"

Out of the discussion came the decision to relocate the machines in the department in close proximity to each other so that the jobs would continue to come to the men singly, but they could themselves reassign the work as they saw fit.

Six months after the program began in the polish and buff department, I attended a meeting of the night shift that stirred me as have few events in my life. There were approximately a dozen men at that meeting, half of whom were black, and I heard them speak about the new dignity of their work.

One man told me that he now regards himself as a craftsman and that he will not permit a product to pass him that is not right.

A white man said of a black man, "I worked next to his fellow for 6 months and didn't even know his name. Today, we are partners."

The foreman told me how his job had changed. He used to be a policeman. Now he works with other departments, expediting the flow of materials so that his people have them when they are needed.

Today, all departments of the plant have one or more "core groups" whose job is to devise their own work improvement changes. A core group consists of the foreman, the union shop steward, and one other worker chosen by the department's work force. Meetings, day and night, about work improvement have become a way of life at Bolivar.

At the beginning of the project, we identified four operating principles that would have to be recognized as systemic, that is, all would have to be applicable if the project were to be successful. These principles state that the worker must:

1. Feel secure about his job and be free from fear and anxiety concerning his health, safety, income, and future;

2. Must feel fairness in his treatment;

3. Must feel that his needs are respected and that he can develop his individual capabilities to the fullest; and

4. Must have a say in the decisions that affect him, starting with the job itself.

During the life of the program, a fifth and crucial principle evolved; that is, that in any social enterprise the parties must respect each other's differing roles. In short, there must be a sense of mutual respect and trust.

These principles were critical when we began, and they are frequently referred to as new formulations are considered. They have, however, become so much the weave of what we do, that it can now reasonably be said that they are ingrained, and what has derived is the conviction, not so much that every employee counts, but that every employee matters.

When I say that every employee matters, I am identifying one of two conditions which I regard as essential to an effective work improvement program which will endure. First, and I believe that this point is all too frequently overlooked, the program must be encompassing. That is, the principles must flow throughout the entire company. Every employee matters.

It has been fashionable to talk about the alienation of the blue-collar worker in America, and there has been some writing about the alienation of the white-collar worker whose job has become routinized, impersonal, and uninteresting.

I am convinced that a high degree of alienation and of fear exists at the highest levels of management where it is generally assumed that life is good and that life is satisfying. Business leaders with whom I have spoken frequently admit that something indefinable, but terribly important, is missing from their lives.

Corporate life has become so imbued with bureaucratic thinking that individual managers up to and including chief executive officers, all too frequently come to the conclusion that they are working for a company with a life of its own and that they are essentially passengers, along for the ride, whose absence would never be missed. In brief, they live a life of silent terror, and that terror is expressed in terms of their relationship to their work, to each other, and to their subordinates.

The familiar structure of business encourages divisiveness and self-doubt, expressions of alienation that must be recognized and dealt with before any work improvement program can hope to be effective. An atmosphere of mutual respect and regard must be created in which executives can work with each other.

An opportunity must be given each executive to fully understand the way in which the business, the total business, operates, and to share that experience with others; for in the absence of such circumstance, the executive may consciously or otherwise destroy any efforts to improve the quality of the work environment.

In this area, and one other which I will shortly mention, I find the essential material of hope for the future. To coin a wild paradox, "If decisionmaking is to truly flow from the bottom up, you must start at the top."

The second of the two preconditions for an effective work improvement program is the willingness to risk change. Management must be willing to commit itself to a process in which continued change moves from the bottom up; in other words, to a process in which social invention is truly perceived by those who participate in it as their own.

There is no way of determining in advance the specific direction or the specific consequences of an honest, open work improvement program. But there is no question that such a program will ultimately leave all employees with enhanced self-image and as a consequence of that, enhanced expectations. If one is frightened rather than heartened and challenged by the possibility of such a transformation, let him not begin; for a genuine work improvement program survives its crises precisely because it has been initiated with openness and honesty. Indeed, its very existence strengthens that honesty and generates greater mutual trust.

Further, I would caution, that the world is changing all the time and that it is an illusion to believe otherwise. Those who resist change are denying the inexorable material of the human condition.

I have found that a work improvement program has dramatic effect on people. They change as individuals, and their transactions with others develop a totally new quality, one of confidence, trust and willingness to explore. The process seems to dilute and, at best, to dispel fundamental anxieties, prejudices and cynicism.

Let me not overstate my case. Of course, in a place like Bolivar, Tenn.—a community made up principally of farmers, often suspicious of strangers—we cannot expect to erase a century of anxiety in a few years. But our executives have found new capacities in themselves to listen, to truly hear, and to respond to the needs and aspirations of others. They, in turn, have shown our foremen and supervisors the way.

And as all of this has happened, courage has replaced maschismo—courage to take the chance on a program not previously tried, and to encourage people to think, to evaluate and to then speak their minds.

Frequently when I talk with business people about work improvement programs, they ask, "Do you have any hard evidence to prove that such activities will result in increased rates of productivity?"

I always have trouble with that kind of question because it makes me feel that they don't understand what I'm talking about. I know that if our company does not succeed in conventional terms, we will be hard pressed to continue programs such as this.

I also know that there are many who would eagerly identify our failure as evidence of our unreality and of our idealism—whatever that terrible thing is. I therefore know that we must be a traditionally successful company if our programs are to survive and grow.

My point, however, is that if one pays lip service to the principles I have identified, if one proceeds manipulatively to plan such a program as a disguised effort to increase efficiency and productivity, he will surely and quickly expose himself and the program will be a disaster.

One must begin with the conviction that there are deeper satisfactions, greater rewards than simply making a buck out of the running of a business, if a work improvement program is to succeed.

Please let me make it clear. I am absolutely convinced that if one enters such a program openly, courageously and with reasonable counsel, it will almost surely result in improved operating results because it inevitably leads to enhanced self-image on the part of managers and workers and, as a consequence, to improvement in quality and improvement in production processes.

Bolivar production per hourly employee per day was $132 when the program began. Adjusted for inflation, it had risen to $155 per day by April of 1975, and it is now estimated that it approximates $165 per day.

Senator Nelson. When was the Bolivar plant experiment begun?

Dr. Harman. Four years ago.

Our people are not insensitive to this information. They understand very well that we are concerned with both human development and efficiency. Both are goals, and our people are not confused by them. That was not always true, but it is overwhelmingly true today; and it is the product of the careful, respectful, honest, and mutually trusting process we have been through together.

Finally, I should indicate that in addition to liberating individuals through a company, work improvement programs tend to generate some remarkably innovative developments of their own.

At Bolivar, for example, we regularly publish a newspaper unlike any I have ever seen. It is entitled, "The Harman Mirror," despite my earnest proposal that it be entitled "Harmany Grits."

Senator Nelson. It is a good thing you lost.

Dr. Harman. A good thing and not atypical.

That newspaper of which I have some examples, is truly a people's newspaper. Any employee is free to write what he believes and in the early issues, a remarkably high percentage of articles began with the phrase, "Of course, this will never see print * * *"

One factory worker, writing at some length, once characterized us as a company lost, searching for heaven. I'm prepared to accept that as a quite reasonable characterization.

The work improvement program has led to the development of a company school in which over 200 people are involved in classes ranging through sewing, typing, music, Bible studies, painting, accounting, and in classes which study in detail how the business actually functions; what profit is, what expenses are, where the money comes from and where it goes.

There are 100 people in classes geared to health and safety.

Senator Nelson. I don't recall whether you mentioned the number before of employees.

Dr. Harman. There are somewhat over 1,000 employees there today.

Senator Nelson. Is that an old plant?

Dr. Harman. The plant is approximately 15 or 16 years old.

Senator Nelson. Was it your plant from the beginning? Did your company start the plant?

Dr. Harman. The company started the plant. I was not with the company at that time.

The school was begun as a natural derivative of the fact that workers were earning idle time by completing 8 hours of work in as little as 5 hours a day. Since one of the principles of the program was that no one would lose employment because of its operation, those who finished early did not continue to work, but had earned idle time.

Idle time has brought its share of hells as well as benefits. One of the benefits was the origination of the school in which many of the courses are taught by employees of the plant, many of whom have revealed talents which would otherwise never have been identified or nourished.

Another significant outgrowth of the program developed when the company came under pressure to reduce its prices for mirrors in a highly competitive automotive market. Even as our employees are openly critical of the company and its policies, on the one hand, they are clearly ready to identify themselves with the problems of the company, on the other.

As the company came under pressure to reduce prices, we were able to discuss the problem with the people in the plant and to propose the formation of a plantwide pricing committee that would deal directly with the complex grid of pricing, work standards, and productivity, because our people recognize that the contracts we win mean jobs, and the contracts we lose mean layoffs.

Today we are joined with the union in developing a cost saving sharing program, the objective of which is to reach agreement on all controllable costs within the plant, and to devise an equitable method for sharing all cost improvements achieved beyond those references.

It is my belief that when the union joined the company in estimating the cost on a major contract, an estimate which became the basis for the company's competitive bid, it may well have been the first time in industrial history that such a collaboration was undertaken, and, incidentally, successfully so.

In summary, I believe that the work improvement program in Bolivar has made all of our people more aware of their needs, of their company's needs, and of the symbiotic relationship that exists between them and the company. The experience has led to a consciousness raising for all.

The program is clearly influencing the attitude of workers, not only toward each other, their jobs and the company, but also toward life outside of work. It is there perhaps more than within the walls of the plant that we will see the ultimate expression of what is possible in America.

There is a quotation from Albert Einstein which seems to me altogether appropriate as the conclusion of this witness:

> A human being is a part of the whole, called by us "Universe." A part limited in time and space. He experiences himself, his thoughts, and his feelings as something separated from the rest—a kind of optical delusion of his consciousness.
>
> This delusion is a kind of prison for us, restricting us to our personal desires and to affection for a few persons nearest to us. Our task must be to free ourselves from this prison by widening our circle of compassion to embrace all living creatures and the whole of nature in its beauty. Nobody has been able to achieve this completely, but the striving for such achievement is in itself a part of the liberation and a foundation for inner security.

Senator NELSON. Thank you very much, Dr. Harman, for your very thoughtful presentation on the creative experience of your company.

Have other employers around the country shown an interest in your experimentation?

Dr. HARMAN. Yes, indeed. They have shown an interest in our experimentation by visiting the plant. We have been visited by, I am happy to say, some of our major customers, some of the major auto makers, and by top level persons in those companies.

We have been visited by executives and occasionally by workers—I wish that happened more frequently—of other companies not engaged in our business, but companies engaged in such activity as the manufacture of foods, services, insurance, banking, and the like.

And then it would be, I think, an incomplete answer if I did not suggest to you that there are other significant and, in many respects, successful programs going on in other companies around the country.

Senator NELSON. Have other companies instituted similar plans to yours that you know of?

Dr. HARMAN. Other companies have instituted similar plans. I know of almost none which has begun with the same perspective that we have. That perspective, I would emphasize, is the concentration on the differences that exist among the people who work in the plants and the need to be genuinely responsive to those differences.

I think, or it is my impression, at any rate, that many another good and constructive effort has begun in the terms of hygienic circumstances, in terms of worker participation, in terms of exploring opportunities for variation in work effort, that sort of thing.

If there is a distinction in ours, it has to do first with the principles under which we began and, second, in terms of the fact that it is curiously an effort which embodies participation by three separate forces: the company, the union, and the quite carefully designated third force—the program committe itself—which operates in an objective and essentially disinterested fashion.

Senator NELSON. What is the program committee?

Dr. HARMAN. The program committee is composed of a group of sociologists. It is headed by Dr. Michael Maccoby, psychologist, a man who has headed the program on the study of work and working characteristics at Harvard since 1969. It includes two psychologists, who work and live and have been full time in the plant since the beginning of the program.

That program committee works with the union and the management, expressed through the formation of the working community, the working committee, which has equal participation of workers and managers.

Senator NELSON. You commented on the question of productivity in response to inquiries that would obviously be raised by anybody in the business community. Your response was that that was coincidental, but if it works, productivity is likely to increase.

Is that roughly what you said?

Dr. HARMAN. I think it is, yes.

Senator NELSON. Dr. Maccoby testified on your experiment last year in the hearings we had in the small business community. Just to pursue the productivity question for a moment, yesterday we took testimony from Data Control, Northwest Mutual, Nestle's. Two of them, I think, addressed themselves to the productivity question, although one of them, the insurance company, is not in the production business, so that becomes a matter of impression or perception.

But they also addressed themselves to the question, which I assume would reflect workers' satisfaction, that is, the question of absenteeism for whatever purpose.

Did you find in terms of absenteeism in general or sick leave, in particular, managing time schedules, did you find any change in that now measured against before you started?

Dr. HARMAN. We have found significant change in turnover rate, in absenteeism. I think it should be fairly footnoted that the turnover rate is likely to improve in times of recession, irrespective of any program that goes on, but independent of that I am convinced that we have seen very significant improvement in each of the following elements as a consequence of the program.

Turnover rate is reduced, absenteeism has significantly been reduced. The incidence of drug and alcoholic addiction in the plant is significantly reduced. The relationship within families has become significantly and apparently more enhanced.

I would suggest that in every important expression of human life within and without the plant, we see growing evidence of important progress.

I attended a meeting here in Washington this past Tuesday that was attended by representatives of Swedish industry and various representatives from American industry and the academic world and Government, and I was fascinated by the observations of one of the men from Sweden who, in addition to various other points that I regarded very positively, made the observation that when one engages in a participatory program, one must make very certain that it is not token participation.

One must make very certain that the people engaged are truly participants, rather than being given the impression that they are participating.

What I found rather wry and amusing, I must say, about that assembly is that 110 people were invited to attend. At the rostrum were the experts. They made their observations as panelists, questions were permitted from the floor in writing only, and responses were made to those questions.

The panel rather quickly ran out of questions, and to its modest embarrassment found it necessary to ask each other questions.

There we were, people very interested in the material, presumably invited to join and participate in this process, and nobody thought that any one of us had anything to offer.

We were precisely the example, if you like, of what that wise gentleman from Sweden was cautioning us against.

Senator NELSON. You became alienated from the meeting, I take it.

Dr. HARMAN. I think that is a reasonable conclusion, yes, sir.

Senator NELSON. Do you have any program involving part time, shared jobs, or anything of that kind?

Dr. HARMAN. No. We are beginning to experiment with flexible time. I did speak of idle time and I spoke of it rather quickly. It is part, in effect, of the package of processes to which you are referring.

We found, for example, that the whole idea of quality control, which is the superimposition on the production process of an inspection procedure to make sure employees are not sneaking improper material past you, begins to disappear if the employee regards himself as a craftsman who simply will not turn out a poor product.

One of the consequences of that total atmosphere has been this remarkable improvement in the quality of work and, if you like, in terms of efficiency, which has led people to complete their day early. If we let them continue to work, one of the inevitable consequences is they will put other people out of jobs.

When the major part of this program was underway, we were engaged in what is known as a recession, and it would be an anomaly in relation to our objective if you caused people to develop in such a way that they, in turn, eliminated the employment of others, so idle time was then translated into some of these other programs to which I made reference. The school, for example, is an expression of that.

Senator NELSON. Thank you very much.

I would like to pursue more questions with you but we are under some time constraints. I appreciate your taking your time to come up here. Your testimony has been very thoughtful.

Dr. HARMAN. Thank you, Senator.

[The prepared statement of Dr. Harman follows:]

TESTIMONY OF DR. SIDNEY HARMAN

BEFORE THE SENATE LABOR AND PUBLIC WELFARE'S SUBCOMMITTEE ON EMPLOYMENT, POVERTY AND MIGRATORY LABOR

April 8, 1976

I am Dr. Sidney Harman, Board Chairman and Chief Executive Officer of Harman International Industries. Our corporate office is located at 3000 Marcus Avenue in Lake Success, Long Island.

My Ph.D. was earned in organizational and social psychology in 1973, the year in which our principal visible program of work improvement began. That was four years after I had returned to school in a search for the information and philosophical basis for our new program while still heading our business.

Because much of what I have to say may be regarded as the unrealistic mouthing of an idealist, I think it important to establish the fact that our company employs approximately 4,000 people in 13 manufacturing plants located principally in the United States, but also in England, Scotland and Germany. Our growth during the past five years has compounded at an annual sales rate in excess of 34% and at an annual profit rate of almost 39%. We will have total sales in the year which ends August 31, 1976 of approximately $140 million and we will earn approximately $9 million or nearly $4 per share after taxes. We are a thriving, growing, vigorous company measured by the most conventional standards. Our company showed the ninety-third best return on investment of all the companies listed in last year's Fortune 500. It is my firm belief that the significant social invention which we have been developing during the past four years has made a powerful contribution to that growth and will make a greater contribution in the years ahead.

At Harman International we have two work improvement projects underway. One is approximately one year old and is operating at six Los Angeles-based manufacturing plants of the James B. Lansing Sound Co., one of our several high fidelity equipment manufacturing companies. High fidelity represents approximately 75% of our total business.

The second and more advanced project is located at our Automotive Division in Bolivar, Tennessee where automobile mirrors are made. The division represents approximately 25% of our total business. The program was begun in the Spring of 1973 when, as a consequence of a series of meetings with the United Automobile Workers union, the company and the union jointly proposed establishment of the program to the work force and received its nominal, if somewhat puzzled approval. Dr. Michael Maccoby who had been heading a major study on character and work funded by Harvard University since 1969 was invited to direct the effort and to create a project group as a third force in addition to the company and the union.

We chose to make our major effort in Bolivar because working conditions were by far the worst in any of our facilities, because Bolivar was a small, rural, Southern town in which many of the people employed by us had never worked in industry before and because the plant was organized by a major national union in a "right to work" state.

In the late Spring of 1973, the first major step was taken. An intensive base line study - one with which later studies could be compared - was conducted. Interviewers collected detailed data on workers' backgrounds, health and attitudes - base line data often lacking in earlier work improvement programs - as well as measures of plant productivity such as performance to standards, absenteeism, turnover, overtime and scrap levels.

The crucial element in the study and everything that flowed from it was the recognition that people are different - that they cannot be and must not be perceived as replaceable parts in the machine. That awareness of the differences in people is critical to the program. There are, for example, those of great ambition who want to make personal progress within the company. There are farmers for whom an eight hour day is a genuine burden and who can profit substantially by learning welding skills. There are those for whom the work atmosphere and the associations and related activities developed there are most valuable - and there are those who wish only to do their jobs and go home - who are not interested in more responsibility or more experiments.

These differences are not easy to take account of because industry has historically been designed to make all people the same. But understanding those differences is essential to understanding how the program must be responsive to them.

This is vital material to a program that works. It is its central truth.

Subsequently, the union and management established an ad hoc committee consisting of five members from each side. The committee, now known as the "Working Committee" became the soul of the project. Its first mission was to try to do something about the major complaints the survey had revealed. The committee quickly solved some parking problems, banned bill collectors from the premises and set up a Credit Union.

In early 1974, the first experiment, using volunteers, was begun on a classic final assembly line. It began with a series of meetings that included workers, the foremen, the department supervisor and the division's top technical man. The workers indicated their desire to meet their production standards to rid the line of its frequent starts and stops and to improve housekeeping. Later, they decided to go further, to make the distribution of work more equitable and to improve each individual job. Once workers knew that management not only listened to what they had to say, but cared about what they had to say and was capable of respecting the value of what they had to say, a flow of detailed and often ingenious suggestions followed.

At approximately the same time that the project on the assembly line got underway, a program was begun in the Polish and Buff Department, a section of the plant where the work is dirty, repetitive and demeaning. One man said, "Polishing a long frame is more tiring than polishing a shell and I get stuck on that for days at a time and for as long as a week. Is it possible to divvy up that work?". Out of the discussion came the decision to relocate the machines in the department in close proximity to each other so that the jobs would continue to come to the men singly, but they could themselves reassign the work as they saw fit.

Six months after the program began in the Polish and Buff Department, I attended a meeting of the night shift that stirred me as have few events in my life. There were approximately a dozen men at that meeting, half of whom were black, and I heard them speak about the new dignity of their work. One man told me that he now regards himself as a craftsman and that he will not permit a product to pass him that is not right. A white man said of a black man, "I worked next to this fellow for six months and didn't even know his name. Today, we are partners". The foreman told me how his job had changed. He used to be a policeman. Now he works with other departments, expediting the flow of materials so that his people have them when they are needed.

Today, all departments of the plant have one or more "core groups" whose job is to devise their own work improvement changes. A core group consists of the foreman, the union shop steward and one other worker chosen by the department's work force. Meetings - day and night - about w[illegible]rovement have become a way of life at Bolivar.

At the beginning of the project, we identified four operating principles that would have to be recognized as systemic, that is, all would have to be applicable if the project were to be successful. These principles state that the worker must:

1. Feel secure about his job and be free from fear and anxiety concerning his health, safety, income and future;
2. Must feel fairness in his treatment;
3. Must feel that his needs are respected and that he can develop his individual capabilities to the fullest;
4. Must have a say in the decisions that affect him, starting with the job itself.

During the life of the program, a fifth and crucial principle evolved; that is, that in any social enterprise the parties must respect each other's differing roles. In short, there must be a sense of mutual respect and trust.

These principles were critical when we began and they are frequently referred to as new formulations are considered. They have, however, become so much the weave of what we do, that it can now reasonably be said that they are ingrained and what has derived is the conviction, not so much that every employee counts - but that every employee matters.

When I say that every employee matters, I am identifying one of two conditions which I regard as essential to an effective work improvement program which will endure. First - and I believe that this point is all too frequently overlooked - the program must be encompassing. That is, the principles must flow throughout the entire company. Every employee matters.

It has been fashionable to talk about the alienation of the blue collar worker in America, and there has been some writing about the alienation of the white collar worker whose job has become routinized, impersonal and uninteresting. I am convinced that a high degree of alienation and of fear exists at the highest levels of management where it is generally assumed that life is good and that life is satisfying. Business leaders with whom I have spoken frequently admit that something indefinable, but terribly important, is missing from their lives.

Corporate life has become so imbued with bureaucratic thinking that individual managers up to and including Chief Executive Officers, all too frequently come to the conclusion that they are working for a company with a life of its own and that they are essentially passengers, along for the ride, whose absence would never be missed. In brief, they live a life of silent terror, and that terror is expressed in terms of their relationship to their work, to each other and to their subordinates.

The familiar structure of business encourages divisiveness and self-doubt, expressions of alienation that must be recognized and dealt with before any work improvement program can hope to be effective. An atmosphere of mutual respect and regard must be created in which executives can work with each other. An opportunity must be given each executive to fully understand the way in which the business - the total business - operates, and to share the experience with others; for in the absence of such circumstance, the executive may consciously or otherwise destroy any efforts to improve the quality of the work environment.

In this area and one other which I will shortly mention, I find the essential material of hope for the future. To coin a wild paradox, "If decision-making is to truly flow from the bottom up, you must start at the top".

The second of the two preconditions for an effective work improvement program is the willingness to risk change. Management must be willing to commit itself to a process in which continued change moves from the bottom up - in other words, to a process in which social invention is truly perceived by those who participate in it as their own.

There is no way of determining in advance the specific direction or the specific consequences of an honest, open work improvement program. But there is no question that such a program will ultimately leave all employees with enhanced self-image and as a consequence of that, enhanced expectations. If one is frightened rather than heartened and challenged by the possibility of such a transformation, let him not begin; for a genuine work improvement program survives its crises precisely because it has been initiated with openness and honesty. Indeed, its very existence strengthens that honesty and generates greater mutual trust.

Further, I would caution, that the world is changing all the time and that it is an illusion to believe otherwise. Those who resist change are denying the inexorable material of the human condition.

I have found that a work improvement program has dramatic effect on people. They change as individuals, and their transactions with others develop a totally new quality - one of confidence, trust and willingness to explore. The process seems to dilute and, at best, to dispel fundamental anxieties, prejudices and cynicism.

Let me not overstate my case. Of course, in a place like Bolivar - a community made up principally of farmers, often suspicious of strangers - we cannot expect to erase a century of anxiety in a few years. But our executives have found new capacities in themselves to listen, to truly hear, and to respond to the needs and aspirations of others. They, in turn, have shown our foremen and supervisors the way. And as all of this has happened, courage has replaced machismo - courage to take the chance on a program not previously tried, and to encourage people to think, to evaluate and to then speak their minds.

Frequently when I talk with business people about work improvement programs they ask, "Do you have any hard evidence to prove that such activities will result in increased rates of productivity?" I always have trouble with that kind of question because it makes me feel that they don't understand what I'm talking about. I know that if our company does not succeed in conventional terms, we will be hard pressed to continue programs such as this. I also know that there are many who would eagerly identify our failure as evidence of our unreality and of our idealism - whatever that terrible thing is. I, therefore, know that we must be a traditionally successful company if our programs are to survive and grow.

My point, however, is that if one pays lip service to the principles I have identified - if one proceeds manipulatively to plan such a program as a disguised effort to increase efficiency and productivity, he will surely and quickly expose himself and the program will be a disaster. One must begin with the conviction that there are deeper satisfactions, greater rewards than simply making a buck out of the running of a business, if a work improvement program is to succeed.

Please let me make it clear. I am absolutely convinced that if one enters such a program openly and courageously and with reasonable counsel, it will almost surely result in improved operating results because it inevitably leads to enhanced self-image on the part of managers and workers and as a consequence, to improvement in quality and improvement in production processes. Bolivar production per hourly employee per day was $132 when the program began. Adjusted for inflation, it had risen to $155 per day by April of 1975 and it is now estimated that it approximates $165 per day.

Our people are not insensitive to this information. They understand very well that we are concerned with both human development and efficiency. Both are goals and our people are not confused by them. That was not always true, but it is overwhelmingly true today - and it is the product of the careful, respectful, honest and mutually trusting process we have been through together.

Finally, I should indicate that in addition to liberating individuals throughout a company, work improvement programs tend to generate some remarkably innovative developments of their own. At Bolivar, for example, we regularly publish a newspaper unlike any I have ever seen. It is entitled, "The Harman Mirror" despite my earnest proposal that it be entitled, "Harmany Grits". That newspaper of which I have some examples, is truly a "people's newspaper". Any employee is free to write what he believes and in the early issues, a remarkably high percentage of articles began with the phrase, "Of course, this will never see print...". One factory worker, writing at some length, once characterized us as "a company lost, searching for heaven". I'm prepared to accept that as a quite reasonable characterization.

The work improvement program has lead to the development of a company school in which over 200 people are involved in classes ranging through sewing, typing, music, bible studies, painting and accounting, and in classes which study in detail how the business actually functions. There are 100 people in classes geared to health and safety. The school was begun as a natural derivative of the fact that workers were earning idle time by completing eight hours of work in as little as five hours a day. Since one of the principles of the program was that no one would lose employment because of its operation, those who finished early did not continue to work, but had earned "idle time". Idle time has brought its share of hells as well as benefits. One of the benefits was the origination of the school in which many of the courses are taught by employees of the plant, many of whom have revealed talents which would otherwise never have been identified or nourished.

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In summary, I believe that the work improvement program in Bolivar has made all of our people more aware of their needs, of their company's needs and of the symbiotic relationship that exists between them and the company. The experience has lead to a consciousness raising for all. The program is clearly influencing the attitude of workers, not only toward each other, their jobs and the company, but also toward life outside of work. It is there perhaps more than within the walls of the plant that we will see the ultimate expression of what is possible in America.

There is a quotation from Albert Einstein which seems to me altogether appropriate as the conclusion of this testimony:

> "A human being is a part of the whole, called by us "Universe". A part limited in time and space. He experiences himself, his thoughts and his feelings as something separated from the rest - a kind of optical delusion of his consciousness. This delusion is a kind of prison for us, restricting us to our personal desires and to affection for a few persons nearest to us. Our task must be to free ourselves from this prison

by widening our circle of compassion to embrace all living creatures and the whole of nature in its beauty. Nobody has been able to achieve this completely, but the striving for such achievement is in itself a part of the liberation and a foundation for inner security".

Senator NELSON. Our next witness from Rushton Mining is Mr. Warren Hinks, president, Johnstown, Pa.

Is Mr. Hinks here?

Go ahead, Mr. Hinks. Do you have a prepared statement?

STATEMENT OF WARREN H. HINKS, JR., PRESIDENT OF RUSHTON MINING CO., JOHNSTOWN, PA.

Mr. HINKS. No; I don't. I will state it off the cuff as much as I can.

Senator NELSON. Fine, just present your statement however you desire.

Mr. HINKS. Then I can submit the prepared text later.

Senator NELSON. If you have some material that you would wish to submit, we would be happy to receive it for the record if you could have it available in the next two weeks or so.

Mr. HINKS. Very good.

For the record, my name is Warren H. Hinks, H-i-n-k-s, Jr. I am the president of Rushton Mining Co., and our address is, for your purpose, 1106 First National Building, Johnstown, Pa. 15901.

Our mine, Rushton Mine, is located in central Pennsylvania, actually in Center County. We employ approximately 220 people, out of whom approximately 180 are United Mine Workers affiliated. The remainder are salaried, supervisory and clerical employees.

We, in 1973, early 1973, were approached with the proposition that we might undertake a quality of work experiment at Rushton mine that was to take the form of granting our miners autonomy in their working place.

Senator NELSON. May I ask is this one independently owned mine, or is it a part of a group of mines?

Mr. HINKS. I personally am part owner of three other mines, other than Rushton. I used to be a part owner of Rushton mine. My partner and I turned that over to Pennsylvania Power and Light Co., of which it is now a subsidiary.

The experiment, as I said, was to take the form of granting our workers autonomy over their working life.

Now, our idea of the problems in the coal industry at that time, and subsequently have been amplified somewhat, was that we were experiencing, not necessarily Rushton mine, but other mines in the industry, were experiencing high absentee and accident rates that we weren't able, seemingly, to reduce, and lowered productivity, which a lot of coal operators blamed on the regulations imposed by the Federal Coal Mine Health and Safety Act. However, there were other factors we felt were influencing this, such as employees' attitude.

When the opportunity came to us to take on this program, it seemed to me at that point that here was a way to enlist the willing cooperation of the coal miner in helping us resolve many of these problems which I felt were not being resolved and would never be resolved by our traditional management methods.

The term, "quality of working life," refers to the degree of intrinsic satisfaction derived by the miner from his work experience. To improve this quality is therefore to improve the workers' satisfaction.

While we don't control his thoughts about satisfaction, we can provide the climate and the increased opportunities for that satisfaction to be expressed.

We are attempting to promote that feeling of satisfaction that accompanies the performance of a job well done on the man's best interest, on the man's best motives of his personal initiative.

We are learning how to encourage the wholehearted satisfied willingness of the coal miner to aline his goals with those of the company without using fear, bait, or even positive reinforcement to manipulate his motives, or to having a lot of regulations that attempt to arrive at the same thing.

The design of our experiment now is to operate autonomously throughout our coal mine, but it originally started out as one production unit of autonomous workers and, as the term "autonomous" implies, the workers assumed complete responsibility for their productivity and direction.

Senator NELSON. Does this involve supervisors?

Mr. HINKS. Yes. There is a foreman in the working area, as we have always had.

Senator NELSON. And the foreman and the crew perform the function simply to organize their own work; is that what you are saying?

Mr. HINKS. Well, the foreman has been relieved of his responsibility to impose his will upon the men in order to get production.

He does have another role, however, that is standard; and that is of training and safety and as an adviser to the group, and all of those good things that a good foreman should be doing with his people anyway. In addition we have given him a larger planning role in taking over those duties that were previously done by his superiors in his production section.

Senator NELSON. Out of 180 miners, how many separate production units are you talking about?

Mr. HINKS. We had four. We started out with three when we began this experiment several years ago. Then PP&L wanted to get more production, so we opened up a fourth unit.

In the experiment we initially took one of our production units, which operates three shifts, and that is in one geographical area of the coal mine, operating one unit of equipment, consisting of a continuous miner and associated coal transport equipment.

It is one unit of equipment, about a half million dollars worth, and the crew consists of nine men, plus a foreman; so that meant 27 United Mine Workers' men would be operating around the clock in managing themselves.

Senator NELSON. In that one geographical area?

Mr. HINKS. Right. That was the original experiment. When we added the fourth mining unit, we elected to start that as an autonomous working group also.

I can go right on from that and say since the fall of 1975, we have instituted a program to incorporate the autonomous working mode throughout the company, so that all of our working units and all of our general support men underground are now involved in the autonomous experiment, as well as the people on the surface.

The foreman is—I will say inasmuch as we have a variety of temperaments of foremen, we get a variety of management styles. We have 12 foreman, 12 crews, and I am sure there are significant differences.

Well, we know there are significant differences between their management styles. Some are able to give up more of the autonomous concept—or they are agreeable to give more autonomy to their crew—than others are who are still somewhat worrywarts about it and don't have the trust; and I think justifiably so, because they still haven't worked out the fine working relationship with their crew where the mutual trust has been established. This trust is present when the foreman feels that the men are competent, or that the group is totally competent, to take over their own decision making in the areas that he normally would have done.

We are, I would say, in agreement with the total spirit of the plan. Our approach is friendly persuasion and we don't attempt to force the foreman, but we do have classes for them and for all of the management on learning the new management system.

If I could just make an aside right here: You talked earlier, with some of the earlier groups, about having someone direct quality of work experiments in the federal government, or what have you, and I will just say that in my own observation—I think Mr. Harman touched on it briefly—that it seems like such a patently good idea to give the worker more participation, to those of us in this generation at least, that the idea is catching on more and more.

Just since we started in 1973, and I am sure there has been a lot more interest, and while I personally believe—and I know I work in the private sector—that people in the public sector go to work in the public sector for different reasons and perhaps desire a little more security, and so forth, in what they do, or in their work experience, and that maybe they are not the "flyers," as it were, that you might find in industry and perhaps you do need some kind of an agency with a little more clout to get work experience programs going. That is just a personal observation.

Senator **Nelson**. My suggestion was that the proposed experiment of the kind you are talking about would have to be settled in one place. I wasn't addressing myself to what worker participation there might be, once the experiment starts someplace. I would agree with you, as much participation as you can get is possibly fruitful.

Mr. **Hinks**. The idea is growing because a lot of people see a lot of good in it, and I think that will happen in government as well, as your better management—well, I won't say better, but as your more progressive managers see the benefits and see the goodness in the program that they would want to try it.

The crews, as I said before, do direct and perform all of the work required to produce coal in their area with some modifications in management styles as proposed by the different foremen.

The men are instructed in mining systems. They have all been to class. We have had all 27 men on each crew now attend 48 hours of classes. That is six working shifts. They have learned mining systems, the requirement imposed by the Federal and State mining laws, how to ventilate their areas, which is a significant part of our operation, and how to control the roof and take care of all those things that make the mine a safe and productive operation.

The kind of autonomy we practice or similar kinds of it have been developed elsewhere. I guess one of the most notable ones was the Volvo factory, and there were some earlier experiments in British coal mines. The idea of working out an autonomous unit was brought to us by Professor Eric Trist, who was active in monitoring some of the experiments in the British coal mines and who brought it to this country when he came here to work. He was a founder of the Tavistock Institute in London, which was geared to monitoring and experimenting with work innovation a number of years ago, and I understand they are still operating.

Actually the older management systems have depended on the idea that the worker was somewhat recalcitrant, probably somewhat unintelligent, and really was not a willing participant in the work, other than the fact that he needed the money.

And as we take this attitude in management and reflect that attitude toward people, that is all we are going to get really, other than what you might get from a person who can look through because he happens to be a competent person, mentally and physically, and he knows he is, and he happens to be a strong person and could work through and present himself as a competent person.

But generally the worker will reflect what management feels about him, and taking that same idea, we can say that the worker will also reflect the feeling that we have confidence in him and we have trust in him; that he can in fact make a significant and competent and intelligent and creative contribution in the work effort.

We suggest that the old techniques of using the carrot and the stick, or regulations, or even positive reinforcement, which is a little bit better, but it is still a form of manipulation, are intrinsically shortsighted and that, in fact, the best management motivation in any organization is that we emphatically recognize the value of the worker as a person and that we feel that the miner needs to be seen as bringing to the job intelligence, his attitude and feelings and beliefs, and not just hands and feet and muscles.

The best miners in our industry provide their good service on their own initiative, and they require no external motivation or new management systems to improve their willing effort. These fellows are naturally competent and they naturally become autonomous in our work effort because as management recognizes that these individuals are competent, they naturally drift away from regulating the man's activities all during his working hours. So that actually autonomy goes on all of the time everywhere to the degree that a person expresses his competence, and that competence is recognized by management.

We have, for example, tracklayers in our mines, old miners, whom you don't have to direct. You just tell them where it is the job has to be done and they follow with the suppliers and they know exactly how to do it better than you, and they go and do it. That is the kind of autonomy that has been going on.

Our experiment is really directed toward encouraging those who are seemingly less motivated to become sufficiently self-confident so they can work autonomously with management's trust.

We believe that the carrot and the stick or bait or whatever you want to call it, and fear methods, are proving ineffective over a sustained period, because these devices provide no intrinsic satisfaction for the worker, and he probably suspects he is being manipulated anyway.

I know many managements have questioned me about why we would want to share the direction with the working force; are workers going to get out of control.

We feel that we are going to have more control and that we do have more control.

As Mr. Harman stated, you have more eyes looking at the operation, you have more people thinking about the operation and thinking constructively and intelligently about it, so that we haven't in fact turned over our management willy-nilly to a group of irresponsible miners who are going to run it down the drain.

Management's responsibility has always been to maintain the company goals and to make sure that they are met. However, our management style is to have the worker aline his goals with ours in a friendly way.

A big part of our program is training, training to the extent that has never been done in the coal mining fields before, that is, if the coal miner is going to take over part of the work, that part of the decisionmaking that the foreman had always done before, it would of course be foolish to expect him to be able to do it without proper training to make those decisions.

One of the problems on turning over the decisionmaking from an individual, that is, the foreman, to a group, which is the crew, is that the group now has to be able to arrive at the same decisions or better or just as good decisions, so our men had to have some training in group decisionmaking, group dynamics, and they have had some of that. We still have a ways to go to make that operate better.

We still have problems that develop in the crew through certain individuals wanting to impose their own decision on the group, and then the group not buying it, but by and large the better foremen have been able to help them out with this.

Just to summarize, I would say that we haven't lost any control; as a matter of fact, I feel we are gaining.

The goals of the experiment have been to improve the quality of working life in all respects for the miners as an end in itself. Any good results that come about in terms of increased productivity would inure to the benefit of, let's say, the company, and really everyone in the company benefits.

But frequently in the adversary relationship between the union and management, the company is regarded as greedy and it is only looking out for its own interest, but I would say in this case, while we keep our eye on the goal as far as productivity is concerned, in this program we are attempting to work on other ideas that will promote the well-being of the miner and that the increased productivity will be, let's say, a fringe benefit.

We are looking for a higher level of safety. We are looking for a higher level of work satisfaction, and we are looking for a higher and more all-around level of skill and responsibility expressed by the miner.

As a matter of fact, we have as a goal certainly providing all of the opportunities for those who wish their organization to achieve it, for them to be able to become what we might call a professional coal miner, with all of the qualities of dignity and respect and competence that the word "professional" implies.

At some point, even though now some of our miners enjoy a higher level of earnings, we have been discussing and we will continue to amplify our discussions on a gain-sharing program. I will just mention a little more along that line right at the moment.

We have studiously stayed away from any kind of incentives or bait for the workers to work more productively in this program because we are relying on the essential good-will of the miner. We believe it is there for him to want to produce and to make an intelligent and creative contribution. So we have stayed away from incentives or bait.

But the idea of sharing the gains is, I think, inseparable from our concept and it is a complicated thing because it has to be worked out so that the gains are actually a result of the improved interest of the worker; so all of the parameters in determining the gains would generally exclude things like gains due to capital improvements, et cetera. They could be rightly classified as those deriving from the improved work effort.

The experiment has been guided and monitored in our company by a research team headed up by Prof. Eric Trist, whom I mentioned before, and two other gentlemen, both out of colleges. The experiment is being evaluated by a team from Carnegie Mellon University that is funded through the Institute for Social Research of the University of Michigan, and is under the direction of Dr. Paul Goodman. That evaluation is completely arm's length.

There have been a number of evaluations made on the parameters of the experiment, such as: workers' attitude, changes in those attitudes, the various changes that affect productivity, our safety record, our absentee rate, and just everything having to do with our management.

An interim report was just published on March 31, which is not available for the general public, because it is felt that it would not adequately represent the total progress that we have made in the program, inasmuch as the report only covers the period through the end of 1974.

The program has been monitored and guided at the mine, not only by the research team, but also by a union-management committee composed of the officers in the local union, the union grievance committee, and safety committee—about seven men—and approximately the same number out of management in various positions that would represent a sampling of our total management including myself.

This committee set up all of the original policies for the original experiment, and it took us all the summer of 1973 and part of the fall, and we finally started with the first experimental section of the mine in December of 1973.

This committee, which we now call the steering committee, functions as our forum for taking up all of the problems that are related to the experiment, and the committee has a responsibility to oversee the project and make such adjustments as we need to make to insure the success of the program.

We are still calling it an experiment, even though we have the program extended to the whole coal mine, mainly because we got into this idea with the United Mine Workers on the basis of an experiment, and I think they still regard it as an experiment, although we would find it very difficult as a practical matter to turn back to the traditional form of management.

Our men would not like it, and I think most of our managers would not like it either, but we still regard it as an experiment because we are trying things right along as we go and are attempting to improve the system.

As far as results are concerned, one of the first questions I am asked by most management people is "how is our productivity doing?"

Well, as Mr. Harman said, that really isn't related primarily to the goal of the program. However, there have been some improvements in that direction. Coal mining has so many variables to it that it is difficult to say if our productivity has significantly improved because of the program.

We find that more work is being done however, because our production level for the mine has stayed about the same and we are doing more work to comply with the Federal and State coal mine health and safety regulations.

Before this, we had a number of violations of those regulations and the inspectors would come in and find them, because the foreman really wasn't able to get around and direct everybody to do everything all of the time, so that now we have all 27 men knowledgeable about the law, and they have automatically worked that in with their work schedules and do the work in the jobs that need to be done to fully comply with the law.

The two sections that we had originally in the work experiment, showed about a 10-percent increase in productivity over the other two sections. However, I wouldn't be able to say that that wasn't partly due to mining conditions.

As I said before, the number of violations under the Federal Coal Mine Health and Safety Act is substantially reduced. That is a savings to us because we get fined for those violations.

The accident rate in the mine has improved dramatically. We had a rate prior to this experiment of somewhere around 50 to 55 lost time accidents per million man-hours. Last year, that rate was down to 12.

Senator NELSON. From what?

Mr. HINKS. From 50 to 55, down to 12 lost time accidents per million man-hours. On the sections that have been autonomous the longest, we have the best accident rates.

The absentee rate hasn't—well, on the first experimental section it showed a definite improvement in 1974, but last year all of the sections leveled out about the same, and as a matter of fact our absentee rate for the mine generally deteriorated toward the end of last year because of certain terms in the latest United Mine Workers contract allowing the men more time off. So a lot of them have taken those sick days, of course, as time off, whether they were actually sick or not.

Our supply and parts costs have come down, and we see a definitely improving trend in those kinds of costs. The men are taking a lot more care with their supplies that they are using in the mine and you see very little waste, whereas before waste was a thing that we tried to have monitored by the foreman but it was certainly not always as successful as we now see.

Competition is frequently regarded in traditional managements as a desirable climate. We have attempted to eliminate competition between the crews working on the same section primarily because one crew would attempt to gain high productivity at the expense of the other crews that would follow, and it was kind of a dog-eat-dog atmosphere. Many managers felt at the time that that was really the way you manage, to keep that competition going.

We feel it is counterproductive, so we lumped the production figures from one section into one number and we feed that back to the crew and the foreman so that they will work together a lot more to help each other to get better productivity and to operate a better mining section, safetywise and every way. It is important to note that we wanted the effort to be partly a job enriched experience for the miners. The crew members were allowed to expand the range of their skills through actually working at a variety of jobs in the working place, and all the men were paid the same (or top) rate.

Instead of a man being, for example, a continuous miner operator for the full shift, he could trade-off with a shuttle car operator or a man who did ventilation work and so forth. We felt that the flexibility for a man to work around in different jobs on his crew, would help to relieve some of the bordom that could occur on that job. We find that the men do switch around.

They switched around a lot more originally than they do now. It seems once they got to the point of understanding the other jobs on the section, that they now prefer to work mostly on their own job. This indicates that perhaps the boredom feature was not as significant a problem as we thought it might be and that the men feel that once they have settled down to the job they feel most expert in, they are satisfied with it, especially if they are still free to switch.

However, they are also just as satisfied to trade out with other members of the crew when other members of the crew wanted to do it, and that happens frequently.

One advantage to us is—when I say "us," I am talking about "us" as managers—is that we no longer have a problem when someone is absent in trying to find a replacement for him with equal skills because the men on the crew can fill in for each other and they do have the skills to do it.

Senator NELSON. Mr. Hinks, we are going to have to conclude you because we have to finish by 1. If you would submit for the record, and we will put it in at an appropriate place, the balance of your remarks, which are very interesting and very valuable to this hearing.

Our problem is we have three more witnesses, and we have to finish by 1. We appreciate very much your taking the time to come today and give us the benefit of your experience at the Rushton Mine. It has been very interesting.

If you could have whatever additional material you want to go with your statement in the record here within the next two weeks, we would appreciate it.

Mr. HINKS. Fine.

Senator Nelson. Thank you very much.

Senator Nelson. Our next witness is Alice Cunningham, employment planning coordinator, Association of Bay Area Governments, San Francisco.

We are happy to have you here. You may proceed and present your statement.

Ms. Cunningham. Senator, in the interest of time, I have just submitted to you a synopsis of our testimony, which I will go over and at some point I will say "asterisk" and return to this other sheet.

Senator Nelson. All right. We do need to complete by 1:00. So would you first identify your associates so that the reporter will have the record correct, and then go ahead and present your testimony. If you can summarize it, it would be helpful.

STATEMENT OF ALICE CUNNINGHAM, DEPARTMENT OF LABOR'S EMPLOYMENT AND TRAINING ADMINISTRATION, REGION 9, ON LOAN AS EMPLOYMENT PLANNING COORDINATOR, ASSOCIATION OF BAY AREA GOVERNMENTS, SAN FRANCISCO, ACCOMPANIED BY GRETL MEIER AND LINDA SHUCK

Ms. Cunningham. I have two associates with me. One is Gretl Meier, on my left, and the other is Linda Shuck.

I am Alice Cunningham, an employee of the Department of Labor's Employment and Training Administration—region 9—in San Francisco. Currently I am on loan through the auspices of the Intergovernmental Personnel Act to the Association of Bay Area Governments, a Council of Governments, that is the Regional Planning Agency for the nine counties that touch San Francisco Bay.

Because of my interest in alternative work options, I joined the board of directors of New Ways to Work in Palo Alto, Calif., and I am here to provide testimony on its behalf today.

New Ways to Work is a community vocational resource center established in 1972 to help jobseekers who felt that existing patterns of work did not suit their needs. In the past 3½ years, thousands of first-time workers, reentry women, unemployed professionals and budding entrepreneurs have used the resources of the center.

Over the past 4 years, these jobseekers included a considerable number of people who could not, or did not want to work 40 hours a week. Instead they were seeking part-time work, which would allow them time for other responsibilities.

New Ways to Work staff began to collect information and resources on permanent part-time work and job-sharing in an effort to help people restructure their jobs.

In my testimony I will describe the shared jobs project funded through the State of California Comprehensive and Employment Training Act (CETA) Governor's 4 Percent Discretionary Grant, describe the experience gained thus far from this project, and address the implications for future research needs.

As a preface to my remarks, I would like to define the phrase "shared job" as it is used not only in our CETA project but in all of our work at New Ways to Work. A shared job is one full-time position for which two or more people share responsibility. It is a voluntary, and I underscore "voluntary," Senator, work option in which salary and fringe benefits are pro rated according to hours worked.

Job sharing is not a new idea, but until the new ways to work project there hadn't been an agency devoted to testing the application of job sharing beyond the level of a single employer or single job category.

We have built on the experiences of two particular experiments; namely, the pilot project for teachers and social workers, by the New York based catalyst group in the State of Massachusetts and the other, the restructuring of Federal career positions by the Department of Health, Education, and Welfare.

We ourselves initiated shared job positions in the Palo Alto Unified School District and the city of Palo Alto prior to our CETA grant.

Under the terms of CETA, projects can be funded that explore job restructuring to permit increased employment opportunities for unemployed and low income persons.

Our target groups for whom the option of job sharing is crucial for their being able to gain or continue employment include low income men and women, mostly heads of households, older workers for whom there is currently no middle ground between fulltime employment and early retirement, and, third, mentally or physically handicapped people for whom the 40-hour week is often an excessive burden.

Our project works this way: We serve both job seekers and employers. First I will describe the four services for job seekers: Outreach, individual counseling and workshops, establishment of a skills bank, and job development.

The outreach services involve staff visits to a network of 39 social services, employment development organizations in a tricounty area, media coverage by staff and the dissemination of information of successful examples of individuals and employers who are job sharing. The appendix includes a brochure printed under the sponsorship of ABAG's—Association of Bay Area Governments—unique citizens alliance program which cosponsors a variety of citizen-initiated projects. The citizen alliance thought highly enough of the idea to fund reproduction of the brochure for 4,000 citizens and organizations in the bay area.

Individual counseling and workshops include counseling services offered to persons interested in job sharing, with instructions on how to write a joint resume, interact as a team in an interview situation, and how to present the concept to employers. Counseling support is continued during the job search; this includes communications skills training.

The skills bank is a listing of occupational classifications of workers wishing to share. The project then helps pair up workers with similar skills who go out as a team to apply for jobs.

In job development, through employer contacts, shared job opportunities are uncovered or created by our staff.

Also important are the services offered to employers, which include education of the changing needs of individuals, both current employees and job seekers. We also identify specific employer manpower problems that can be solved by the introduction of job sharing, such as:

1. The need to meet affirmative action requirements. By offering job sharing options to current full-time employees, full-time openings are created for minorities;

2. Increased productivity often results because of higher worker energy levels over shorter hours;

3. Avoidance of reduction in force—RIFS—as they are commonly known, or layoffs, by offering shared job options to current full-time employees;

4. Retention of experience of older workers prior to retirement by sharing their jobs with new employees to be trained, which is something that Midge Miller mentioned;

5. Provision of opportunity to examine potential jobs for new employees in an apprentice-like position while part-time at work and part-time still in school, thus easing the very difficult school to work transition; and, finally,

6. Diversification of skills for jobs which are either highly creative or tedious.

We also provide a service to employers in training for supervisors in the shared job option or provide training in how to supervise a shared job team.

I will now summarize our experience in the first few months of this project.

Who wants shared jobs? We found a veritable cross-section of the work force sought permanent part-time work through shared jobs. Two hundred and sixty-eight persons came to us in the first 4 months of the project; 80 percent were women, 20 percent men.

The significant age groups were women, ages 35 to 44, and men, ages 22 to 34. The client groups represented included the following:

Single parents, women heads of households, older workers, reentry women, minority, students, and currently people employed full time.

Senator NELSON. This group of older workers, which you indicate was 22 percent, was that a mix of men and women?

Ms. CUNNINGHAM. Yes, it is. All of these groupings overlap; some people fit in a number of categories.

The job seekers' educational level included 38 percent with less than college degrees, 72 percent college degrees or above.

The Client Groups represented included the following: 39 single parents—15 percent; 99 women heads of household—44 percent; 58 older workers—22 percent; 50 reentry women—22 percent; 16 minority—6 percent; 19 students—7 percent; and 34 currently employed full time—13 percent.

The job-seekers' educational levels included 38 percent with less than college degrees and 72 percent with college degrees or above.

The skill levels ranged through professional, technical, and clerical occupations.

At this point I will turn to the marked page in the testimony originally submitted.

The kinds of jobs currently being shared range from clerical and assembly work to professional positions such as hospital facilities engineer. One shared job was arranged because a chemist in a food processing plant wanted to return to school part time to work towards an advanced degree. She arranged to share her job with an assembly worker and trained the younger worker as her technician. The resulting restructured position allowed her time to return to school and enabled the newly trained technical assistant to learn a new job skill.

Another example: A hospital facilities engineer position is currently being shared by an electrical engineer, male and a Ph. D. biologist, female.

Senator NELSON. What is the job?

Ms. CUNNINGHAM. It is a hospital facilities engineer. It is in the DOT (Dictionary of Occupational Titles) code somewhere. As the team plans the facilities of the laboratories in a new hospital research unit, her concern is with the use of the equipment after installation; his; the installation itself. Both team members felt strongly enough about their needs for permanent part-time work to seek it, even though offered good full-time positions. The biologist is a widow with three small children; the engineer is committed to working with a research project which cannot pay for his services.

Back to the main text.

How have employers reacted to shared jobs?

Since the beginning of the pilot project the League of California Cities has endorsed job sharing for member cities. Two bills are being developed with our help for the California Legislature, one requiring that the shared job option be offered to any State department, that is, State of California department, facing a reduction in force, the other to consider employer incentives for job sharing.

We have issued a preliminary report on job sharing for school district personnel as a tool for teachers and administrators who are anxious to know more about the option. This study was featured in "The Nations Schools," a national newsletter published by McGraw-Hill, and it is now being requested by school districts nationwide.

Private employers are just beginning to use job sharing for new hires. The real test will come when the employers allow the option for employees currently working 40 hours. There is initial hesitation to implement job sharing in the private sector. Of the reasons we found worth noting; some we can address currently. Some of these include the normal reluctance to change an existing process, preconception of part time as merely shift work and confined to lower level jobs, the specific costs of fringe benefits, and accountability.

Especially critical is the need for: (1) Data compiled through surveys of American workers interest in part-time employment; (2) data to verify our assumptions that shared jobs increase productivity and meet other organizational needs; (3) profiles and behavorial data related to relationships of those who share jobs; Exactly what happens in a team situation between those two individuals that share jobs?; and (4) analysis of the social impact caused by increased job sharing throughout the society.

Finally, we ask that the committee consider the following:

1. Federal Government recognition of the shared job options as a feasible employment alternative in order to legitimize the concept for private industry.

2. Include shared jobs in the establishment of a nationwide information exchange and monitoring mechanism of successful projects to develop cost-benefit analysis, productivity studies, and research in personnel effectiveness in job sharing.

3. Release existing funds to accomplish the above and to support the training of existing community-based organizations such as ours who wish to start job sharing projects. Thank you, Senator Nelson for inviting us to testify.

I will be happy to answer any questions, and I have brought with me several exhibits which I would like to put into the record.

Senator NELSON. They will be received.

[The materials referred to follow:]

A
NEW
WAY
TO
WORK

SHARED EMPLOYMENT

WHO BENEFITS?

- the single parent
- those approaching retirement
- the upwardly mobile woman or minority
- the self-supporting student
- the motivated individual seeking more time for family responsibilities
- the handicapped
- THE EMPLOYER

WHY?

Shared employment speaks to the needs of many employees who feel that the 40 hour work week is no more sacred than the 50 or 60 hour weeks which preceeded it.

The employer gets substantially more productivity from a 4 to 6 hour worker than from an 8-hour-plus employee. Absenteeism is reduced; vacation scheduling is easier. You have a larger field from which to select key, promotable workers.

Shared employment workers can be scheduled into your peak need times.

They provide the potential for an instantly expandable work force for months when contracts might normally call for overtime workers.

A viable alternative to lay-offs is created, enabling you to hold on to valued employees.

WHAT'S THE PROGRAM?

Voluntary. A trial program of shared employment. Instead of one person per 8-hour-day job, you employ two on a 4-hour basis (or one every other day if that works out better. This way the work is shared and more people have an opportunity to be employed.

Some good places to start are:

office and clerical workers
assembly work
reproduction
personnel
transportation
purchasing

OBJECTIONS?

It adds some additional names to payroll and records.

There's additional people processing.

These are minor objections alongside the benefits which accrue to your company and its personnel.

COMMUNITY BENEFITS

At least an equal amount of benefits come to your community. It becomes a better place to live.

- Single parents can care for their children while maintaining their careers.
- "over fifty's" with valid experience and a genuine need for productive employment get an opportunity to regain a reasonable standard of living.

- those physically unable to work full-time can join the labor market.
- young graduates (from high school or college) can become employed, get experience and be tried on for size.
- the expanded labor market created by shared employment makes competition for jobs keener and healthier.

L MANAGEMENT BUY?

Progressive management IS BUYING!

National publicity in periodicals such as Business Week, the Wall Street Journal, the Kiplinger Letter, the Harvard Business Review and Nation's Cities endorses job restructuring as a means for employers to get more productivity for their labor dollar.

Job sharing IS HAPPENING NOW and will become commonplace in the near future.

E PART TIME JOB HAS COME OF AGE!

Preparation of this brochure was cosponsored by the ABAG Citizen Alliance Program, which does not necessarily endorse the opinions expressed in the individual projects or publications.

ABAG ASSOCIATION OF BAY AREA GOVERNMENTS

71-791

ACTION NOW!

Enlightened management is recognizing the current unemployment crisis.

Job sharing is a practical means of providing immediate relief to individuals and families who are facing an impoverished standard of living.

Is there any logical reason why your company should not participate in this timely and vital program?

For more information or speakers on the subject of Shared Employment fill in the information at the bottom of this page and mail to:

NEW WAYS TO WORK
457 Kingsley Avenue
Palo Alto, CA 94301
321-9675

This non-profit citizens group is in its third year of operation and is endorsed by:

The City of Palo Alto

Bayshore Employment Service

Advocates for Women

Women's Organizations for Employment

I would like someone to come speak to me further about shared employment.

Company

Address

Phone

Person to Contact

New Ways to Work
457 Kingsley Avenue
Palo Alto, Ca 94301
415 321-9675

BIBLIOGRAPHY ON JOB-SHARING
AND PERMANENT, PART-TIME EMPLOYMENT

Job Sharing Project
New Ways to Work

STUDIES AND BILLS

California, Legislature, S.B. 570/1975. (Rains, Stevens, and Maddy). March 12, 1975, amended in Senate May 1, 1975. Part-Time Employment Pilot Program for the Joint Committee on Legal Equality.

Enacts the Part-time Employment Pilot Program which states that a percentage of each class in all State agencies be available on a part-time employment basis, (not more than 32 hours of work per week). A two year pilotprogram starting January 1, 1976, would establish the feasibility of such a program.

Catalyst, 6 East 82nd St, Dept B, New York, New York 10028.

Catalyst is a non-profit educational service organization founded with the dual purpose of alleviating society's need for able personnel and ending the conspicuous waste of the training of educated women because traditional employment practices prevent them from combining family and careers. Publication list and other information available from the above address.

Catalyst. Constructing an employee benefit package for part-time workers; a rationale for arriving at an equitable benefit package at no extra cost to the employer. A Catalyst position paper. N.Y. Catalyst 1975.

One of the main problems of part-time work is fringe benefits. This paper suggests workable ways to deal with the problem which benefits the employer and the employee.

Catalyst, Flexible work schedules. A Catalyst position paper. N.Y. Catalyst, 1973. Lists part-time work patterns.

This article suggests several part-time and several full-time flexible work patterns based on Catalyst's eleven-year experience with college educated women. The part-time work patterns are:

1. Job Pairing. Two women divide one full-time job with equal responsibility for the total job. This worked well for teachers and is a good possibility for librarians.
2. Job Sharing. Two women divide one job between them iwth each responsible for only one-half of the workload.
3. Split-level. One position divided into two skill and pay levels; part of the time it is filled by a professional woman and part of the time by a skilled clerical.
4. Split-location. A job partly done in the office and partly at home.
5. Part-time. Working less than a full-time five day week.

6. Consultant or Specialist.
7. Short term. Full-time or part-time work for a limited time. A nonpermanent pattern.

Catalyst, Part-time Social Workers in Public Welfare. A Catalyst position paper. N.Y. Catalyst 1971.
A thorough study of a project employing college educated women as part-time social workers in Boston. It includes how the program was initiated the conditions of employment, as well as how the part-timers performed. The results are impressive, showing that half-time employees carried more than one-half of the workload.

Catalyst, Part-time Teachers and How They Work; A Study of Five School Systems. A Catalyst position paper. N.Y. Catalyst, 1968. 39p.
Studies part-time teachers in five school districts. Conclusions: there are many well-educated women willing to teach part-time; negative preconceptions of part-time by administrators are generally mistaken; part-time teachers are most successful in communities that use them in an organized program.

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JOB SHARING
IN THE
SCHOOLS

To the two teachers for whom sharing
their classroom "put the joy back into
teaching and took out the hassle."

We would like to thank Dr. Robert McLean and Mary Lou Baldra and the many teachers and administrators who gave so generously of their time to help in the preparation of this study.

(Revised Edition)

This study was prepared by the staff
of the New Ways to Work pilot project
on job sharing. It was under the special
guidance of Gretl Meier, Barbara Marmor,
Barney Olmsted and Linda Schuck.

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INTRODUCTION

This preliminary report is a response to frequent requests for information on job sharing in the schools. Teachers who want to work this way are looking for models to support their contention that "sharing works". Administrators who seek to enhance quality education at a time of economic retrenchment need assurance that job sharing is educationally sound and economically feasible.

We have asked Dr. Robert McLean of the Palo Alto Unified School District and Mary Lou Baldera of the Palo Alto Educators Association to write the foreword for this study because they have become enthusiastic proponents of job sharing in the three years since New Ways to Work first urged the Palo Alto Unified School District to initiate the option. Several other Bay Area districts have permitted teachers to share for many years; others are considering pilot programs.

Information now available about job sharing in the schools is anecdotal rather than statistical. But there are now sufficient examples to clarify the general issues involved for both teachers and administrators. We hope that this report, by raising the relevant questions, will facilitate consideration of job sharing by other districts and encourage the extension of this innovative arrangement.

FOREWORD

The concept of job sharing is, of course, a very exciting one. I find it especially attractive during these times when jobs are difficult to locate, and when we in the public schools find it necessary to retrench rather than expand our faculties. I would like to differentiate between job sharing and part time employment, or even team teaching.

Job sharing to me needs to be taken literally--that two individuals will actually share a position together. In our own particular district, we would place each of them on a 50% contract, provide both of them with fringe benefits, but work with them so that it is not just two part time jobs where individuals feel no responsibility to each other or communicate about the job itself. Job sharing requires much communication with a highly flexible time schedule.

Under the job sharing concept both individuals might be on the job at the same time, or one individual might be there at one time, and another at another. The schedule really ought to depend upon the tasks that are to be done at that time. Our experience has indicated that job sharing certainly does require more time than simply a part time job, but on the other hand, our experience also indicates that there are much greater results from job sharing. Teaching itself can become a rather lonely endeavor, but with job sharing there just isn't the opportunity ever to be lonely. I think, too, our experience indicates that those who share jobs are able to excite and enthuse each other, and consequently the teaching task is one that finds far greater excitement and enthusiasm.

Our experience with part time teaching indicates that there is very little communication, but the individual simply puts in a certain number of hours and then goes home. In some fields part time work might be most satisfactory and even though we do employ a number of people for part time work, the results have not been as satisfactory as when two individuals will actually share the job together.

Team teaching is more closely related to job sharing than part time work, but again, in our experience, team teaching has involved full time employment, which allows far less opportunity for individuals to communicate plans and work together.

I might indicate that in some of our job sharing schemes, both individuals actually have been in the school the full day, but do not take home any work. I am thinking of one team that operated at Escondido where that was a high priority for them. They simply provided time during the school day to do their preparation, their paper correction work, and other necessary tasks.

If I were asked specifically what the benefits to the district might be, I think I would probably indicate two things: (1) our experience leads us to believe that we can bring greater enthusiasm and excitement to the teaching task by employing the job sharing concept; (2) it provides us the opportunity to bring in new spirit, new blood, new enthusiasm which we would not otherwise be able to make a part of our district operation. It seems obvious to me that students, therefore, benefit very directly from having two individuals who are enthusiastically working with them rather than one individual who is carrying a very heavy load. Let me just add that I think teaching is a tremendously demanding profession--in fact, more than it should be if one attempts to have any kind of a life outside of the profession, including a family. I might add that responses we have received from parents have also been enthusiastic. The difficulty, of course, is that job sharing requires time to communicate and plan together. Again, that additional time has a potential for reaping rich rewards.

ROBERT E. McLean
Assistant Superintendent
Personnel Services
Palo Alto Unified School District

Teaching positions are declining in number as the student population drops. Simultaneously, teachers' average number of years already spent in teaching is increasing. This means that the average age of teachers is gradually rising also.

Result? School districts want an infusion of younger teachers with new energies and newer approaches with the accompanying lower cost.

Career teachers are aware of their young colleagues' difficulties in locating teaching positions. They also welcome the enthusiasm generated by new young teachers in their ranks.

A consideration being looked favorably upon by both beginning, jobless teachers, as well as those who are experienced, long-timers, is job-sharing -- two persons filling one teaching position.

Result? This provides some of the same resolutions of existing problems identified earlier: (1) makes positions available for new young teachers; (2) probably results in financial savings to the district; (3) enriches the students' educational experience by their exposure to two "experts"; (4) provides a "lightening of the load" for long-time career teachers, or for young beginners who may have temporary family responsibilities.

The penalties to teachers of job sharing? (1) Financial, since salaries are pro-rated in accordance with percentage assignment of a full time job; (2) teachers by nature are very conscientious and experience has shown those job sharing actually put in considerably more time than they contract or are compensated for; (3) they may not be accepted as members of the regular staff if not customarily participating in staff meetings or teachers' lounge fraternization; (4) and a real "show stopper" the district is not legally obliged to increase the percentage of such part time teachers' assignments even if requested, since the teachers themselves opted for the lesser assignment. (Some districts may consider these teacher/applicants, along with outside-the-district applicants, for full time or a greater percentage assignment jobs.) In other words, seniority, performance, order of application carry little weight in a "change of mind".

For those whose personal, financial, emotional and professional goals can be met through job sharing, we think this concept meets three essential tests: (1) it is both educationally sound; and (2) it also provides a lightening of the load of career teachers, as well as (3) opens up jobs to newly credentialled young teachers.

Recommendations: The personalities as well as the competencies and areas of expertise of two job sharers must meld smoothly or the total benefits are eliminated. The job sharers must mutually agree to working together.

It can work! It should be utilized as an enriching opportunity for today's students.

MARY LOU BALDRA
Executive Director
Palo Alto Educators Association

SOME BACKGROUND

Job sharing is a relatively new concept in all areas of employment. It is a form of flexibility, differing from traditional part time work, whereby two people share responsibility for one full time position. Each person then has a permanent, part time job with salary and fringe benefits prorated according to hours worked.

New Ways to Work, a community vocational resource center in Palo Alto which received CETA funding in September 1975 for its special job sharing pilot project, has long been concerned with the need to create more jobs to fit individual needs.

Shared jobs give opportunity to those people, who for some period in their work life, want to work less than the traditional 40-hour work week. An increasing number of men, as well as women, want to balance their employment with other responsibilities in their lives. They include parents (many of whom are single), individuals wishing to continue education and new skill training, others seeking transition to retirement, and those who are physically limited. Many of these individuals, both those who are already employed and those who seek employment, need to work part time but are committed to careers which heretofore rarely have been flexible in time patterns.

Shared job arrangements are now being instituted successfully in a wide diversity of positions and professional levels. In the Bay Area, there are a growing number of examples which include: program developers, administrators, secretaries, librarians, counselors, social workers, receptionists, city planners and others. They are employed by private industry, state and local governments, non-profit organizations and individual professional and business enterprises.

Teaching and sharing -- an early project

The teaching profession was one of the earliest fields in which job sharing proved successful. The first large scale test of the idea began in 1965 in Framingham, Massachusetts, with teachers who had volunteered specifically for the project. One hundred and twenty pairs of teachers who were matched by an outside organization in Boston (Women's Educational and Industrial Union) were placed in Framingham and nearby towns. The subsequent evaluation of the program and its successors by Catalyst, a New York organization, demonstrated that there are qualitative benefits for both students and teachers.

Principals' and parents' reaction to the program was enthusiastic about its advantages to students. They cited the benefit of two different teachers, each concentrating on her speciality and on the stimulation that occurs when a "new, fresh face comes in at noon to enliven the class".

Administrators, including those originally skeptical, were pleased "at getting our money's worth and more from the part time teachers". "We get about two thirds of a teacher for one half time pay", was a frequent comment. Initial worries about communication between the teaching partnership and between the teachers and parents proved unfounded.

In reviewing the program, the evaluation noted that "partnership teaching...is a very special form of part time teaching, and follows a formal, carefully organized pattern". Careful forethought, preparation and continuous attention to detailed procedure were considered a prime prerequisite.

In order to offset potential problems in this early experiment, the sponsoring organization first consulted with fifteen Massachusetts school superintendents. Then it carefully paired teachers with complementary skills, geographic proximity and who had agreed on time division. Teachers first met in the summer to work out programs, again before the opening of school in an orientation session, and once again in mid-year to discuss their experiences. (In subsequent years, the already-experienced partners met with others who were starting shared positions.) During the year, a pattern was developed to ensure close collaboration in planning, curriculum innovation, pupil assessment, extra-curricular activities and parent communication.

A final point should be emphasized: preconceptions about part time teaching and especially partnership arrangements were shown to be generally mistaken. A larger survey (included in the Catalyst report) of 700 nationwide districts, sponsored by the U.S. Department of Education showed that superintendents who employed no part time teachers expressed a wide range of objections to introducing such an innovation. But the reaction of the 300 superintendents who did use part time teachers was overwhelmingly favorable. Many of the problems anticipated by the non-users simply did not arise.

New Ways to Work investigations have elicited similar results. At two public forums, the first in April 1975 (Palo Alto) and another in November 1975 (Santa Clara County Superintendent's Office) interested personnel from many districts discussed job sharing as an innovation with potential for wider application. Representatives of districts which had not yet initiated the option reflected many of the same reservations that the Catalyst researchers had found in districts which used no part time teachers. In districts where job sharing has already been tried, however, there is enthusiasm on the part of teachers, administrators, students and their parents.

THIS REPORT

Job sharing has been available in some Bay Area school districts for the last four years. For this preliminary report we have selected nine districts where it is now in practice, or has been initiated recently. Because of time constraints, we may have left some instances undiscovered. The districts reviewed here are:

- Alum Rock
- Fremont
- Lafayette (Contra Costa County)
- Los Altos
- Milpitas Unified
- Palo Alto Unified
- San Jose Unified
- Union
- Whisman

The current practices of these districts are described in the section "What are the issues that face administrators". (Also see appendices.)

A total of 44 individuals are sharing in these districts. Thirty-eight are teachers, two are librarians, two school media coordinators and two are district-wide resource coordinators. In almost all instances, the teachers had previously worked a full time schedule for many years and wished to teach fewer hours. In a very few cases, sharers are new teachers who could enter the school system only by job sharing for a period of time.

The section on "The experience of people who are sharing jobs" includes selected profiles and reviews the experience of partners whom we interviewed.

THE EXPERIENCE OF THOSE WHO ARE SHARING JOBS

A single parent

> "There is no way the children in my class could have as good a program in art, science or music, if I were not sharing my job with Liz."

Janice Wood has taught several grades over a period of 15 years and is tremendously enthusiastic about the enrichment that has taken place in her first grade classroom since she and another teacher began sharing a year-and-a-half ago.

As a single parent, Janice has been supporting herself and her family for over 13 years. She was at a time in her life where she felt a great need for more time for herself and a chance to explore other interests. She was also at the top of the salary scale, so she could afford financially to teach less than full time. She decided to approach her principal about sharing her assignment.

In the same school, there was a younger kindergarten teacher who was anxious to move into a new, challenging teaching situation but for whom there was no other position. After a year of discussion, they received permission to share the responsibilities for a first grade class in September 1974.

Older teachers

> "I'd have preferred giving up my right arm to giving up teaching altogether after 19 years."

Marian Gifford was given two choices by her doctor: stop working full time voluntarily or be forced to quit. "I couldn't give up teaching", Marian says, so she approached her principal about the idea of reducing her workload and sharing her job. He was sympathetic to the idea and approved it.

Marian has been sharing for two years and her health is now much improved. But she wouldn't return to full time. "I work three really full days, but I'm sure glad I don't have two more!"

Job sharing has special advantages for the older, experienced teacher. Peggy Lee is 49 and has been teaching 2nd and 3rd grade for 13 years. Five of these years she has been a member of a job sharing team. She says she'd never go back to full time teaching.

When her daughters completed college five years ago, Peggy had the option of resigning, as her salary was no longer needed to support the family. But she realized then that independent of the financial issue, she enjoyed children and teaching. While she was ready for more time to herself, she didn't want to give up entirely the pleasures of the classroom. Becoming a teacher-aide was not a realistic option because of her experience. So she initiated job sharing in her district with a partner who was also an experienced teacher and whose situation was similar.

Continuing education

> "If I had to go back to full time, I would have had to drop grad school".

School is possible for Mimi Menard because of work sharing. While on leave from teaching, she had started earning a master's degree in early childhood education. Now, as a result of sharing she can do her research projects in the classroom with her elementary school students and her coursework after school -- the two activities actually complement one another. "The kids benefit from the program, and I benefit by having the kids to work with".

> "I'll want to work part time even when I am 60. I can't imagine not having other things that I'll want to do with my time".

Elizabeth Tatum is a busy woman -- teacher, student, wife and mother -- who believes job sharing is one answer to her perennial question: "How can I do everything I want to do?"

Job sharing is, in fact, the pattern of the family: her husband works part time at the Pacific Telephone Company while working on a graduate history degree at San Jose State University. Elizabeth is completing a degree in Marriage, Family and Child Counseling with some of the time freed by job sharing. There is no need for their child to be in a day care center because his parents carefully schedule their work and school responsibilities so they can share child care.

A way to begin

Declining enrollment. Shortage of funds. It was the same story Donald Foreman had heard at other schools. No one needed teachers, not even black male elementary school teachers.

At one school in Palo Alto, there was a new question. Would he be interested in sharing a teaching job? Donald said "Yes".

Job sharing was hard on Donald financially because as a new teacher he was at the bottom of the salary scale. On the other hand, working with an experienced teacher gave him valuable insights. He used the extra free time to study and for hobbies. Most important to Donald, job sharing became his key to full time employment. After one year of sharing, he was offered a full time position which he accepted.

Mothers of young children

> "It's really working out very well. It's an ideal situation for me at this time and I'm thoroughly enjoying it".

Job sharing is an important breakthrough for working mothers. A recent newspaper article in the Los Altos Town Crier described the district's teaching program, initiated in the fall of 1975, for experienced teachers (Shelly Fiss, Judy Koch, Mimi Menard and Karen Radwin). All are mothers of young children (they have six sons among them, ranging in age from infancy to two years), and had individually requested extensions of their maternity leaves because they didn't want to resume full time teaching responsibilities.

Due to the surplus of teachers, their district policy prohibits granting two consecutive leaves of absence to any teacher. The district was, however, willing to discuss, co-operate and innovate when faced with the specific needs of these teachers. At the same time it could provide a sound education for the children.

Non-teaching personnel

Resource Coordinators. When one thinks of school personnel, one generally thinks of teachers. But job sharing has been used to great advantage by Palo Alto Unified School District in one of its support services, the Extended Resource Center.

The goal of the ERC is to bring speakers to students in Palo Alto, as well as to inform students and teachers about interesting events in the community. Both Helen Connolly, who began the ERC four years ago with her original partner, and Betty Wakelee, who has shared the job with her for the last three years, agree that "more is better" for schools and teachers. They work hard at keeping up to date and spreading the word, a job that requires the broadest possible knowledge of the community. Inside the office, they aim to be interchangeable -- handling calls, answering questions and making decisions. To manage this, their record keeping is extensive.

Outside the office, each specializes. Helen uses her background in public relations and writing to produce all the printed material and promotional campaigns. Betty draws on her wide community experience gained through working with the Volunteer Bureau and her background in counseling to handle personal contact work.

Librarians. Many job sharers know each other as acquaintances at school before they become partners. Joan Parker and Marilyn MacDonald, however, met at a forum on job sharing sponsored by New Ways to Work.

Joan was working full time on a one-year contract for a school librarian who was on sabbatical. Marilyn was setting up an economics library at a research organization in the area. They met over coffee and decided not only that job sharing would be good for them, but that they would make a good team.

Six months later, they began working for the San Jose Unified School District as Librarian-Media specialists for seventh and eighth graders. Both of them love their work and are pleased with job sharing. Like many teachers, they agree that one of the advantages of the arrangement is the sharing of different talents, strengths and weaknesses. They also feel that the new freedom and flexibility that they gain implies a responsibility to be as good as your partner -- "so you can both do the best job possible".

Considerations

These people and others who share their jobs are delighted with the advantages they find for themselves and for their work. In their own words:

> "It put the joy back in teaching and took out the hassle."
>
> "It's the best of both worlds -- a professional job, stamina and time for my family."
>
> "I enjoy the children more -- I never cop out or get crabby."
>
> "I don't have to wake up in the middle of the night worrying about something, because I know Jan is worrying about it too."
>
> "If you are sick, or when you have to be gone, you can leave with confidence that someone is holding the fort, and that work won't be piled up or loused up when you return."
>
> "Two heads are better than one and combining talents and perspectives makes work exciting."
>
> "There's better decision making. The obvious becomes clear quickly when two people are bouncing around ideas."

> "Sharing the highs and lows with a truly interested ear is great."
>
> "Every kid has two chances to make it with a teacher, more than one person to relate to and more than one person to have as a friend."

On the other hand, people who share are aware, to different degrees, of disadvantages. Many of those teachers who have chosen to work half time are not sure that they will be able to continue at the reduced salary. Thus a major consideration is whether districts will allow them to return to full time.

Other concerns center on working out the relationship between partners. In jobs where the emphasis is on interchangeability (such as librarians) vs. distinct areas of responsibility, the lack of continuity can be frustrating for people who like to work independently on projects. Comments emerge such as:

> "You can't run your own show. You've got to sit back and compromise."
>
> "You have to learn to overlook slights and not be too sensitive. If you are always introspecting about 'was I too forceful' nothing gets done."

Occasionally, if partners can't agree on a schedule -- one likes working short hours, the other wants large time blocks free -- they may wish to find new partners.

By far the most commonly cited negative that needs to be weighed carefully is that job sharing in teaching is not literally half time -- not even half of what any teacher does, which is always more than full time. There was almost unanimous agreement that job sharers spend closer to 3/4 than 1/2 time working.

> "You're still correcting and planning all week. It doesn't turn off Tuesday or Wednesday at 5 p.m. Though, of course, there is much less of this than with full time."

It is important, then, that partners agree on how much time to spend working so that resentments don't grow.

> "It's as frustrating to feel your partner is putting in less time than you are as it is to feel obligated to work more hours because your partner insists on doing it all the time."

In summary, for the advantages to outweigh the disadvantages, potential sharers need to think through these specific issues: the prior relationship of partners; division of tasks; scheduling; decisions on goals; and communication.

Prior relationships

> "Teaching is being with people, so if you have different approaches in teaching philosophy or how you see kids, you'll have a schizoid classroom and it will be hard on kids."

While teachers all agree on the obvious need for compatibility or even compatible idiosynchracies, they differ on how these can best be pre-arranged. One view is that partners should start out as strangers so that no past prejudices, fixed relationships or static roles interfere with doing the job. Others feel that while new partners need not be the best of friends, they must know each other well.

Those who espouse the second view feel strongly that teachers should choose their own partners, and that administrators must be understanding and flexible enough to allow the right people to come together.

Division of tasks

The teachers we spoke with uniformly agreed that sharing best served the education of their students and their interests when they split the curriculum into areas of responsibility and both teachers shared responsibility for the entirety of the classroom.

A recurring comment was:

> "We know each other's strengths and weaknesses and we divided the subjects accordingly. Now we can give most of our energy to the things we like and do best. I teach reading and math and she takes science and art. It works out."

Most sharers plan, teach, grade and evaluate their own particular areas, though sometimes scheduling makes it more convenient for one to plan and the other teach individual lesson plans, as in the case of the teachers who alternate weeks of teaching full time with one week off. In most cases, they do behavior/attitude evaluations of students jointly, and check and discuss each other's evaluations of students to keep current about all.

The situation is significantly different for non-teaching personnel. Two librarians, for example, feel:

> "We meet the same public, so we must be prepared to do the same things. We've each got to be able to do everything. Can you imagine telling a kid to wait two days for help on a report that's due in two days?"

Obviously it is impossible to be 100% interchangeable when dealing with people. Duties began to emerge at the library, for example, after students became acquainted enough with both librarians to self-select and to congregate towards the one or the other whom they felt best suited their needs.

Scheduling of time

Sometimes it takes re-shuffling schedules two or three times in order to come up with one that is right. As an example, one team of teachers first chose to work half days with an hour overlap for talk and sharing. They felt that the charm of half days is that they're always fresh. As one says: "It's hard to be 'joyously creative' hour after hour. This way, you can leave when the slumps hit."

But there were problems with half days. They included:

1) discipline carryovers
2) continuity for staff
3) no private time to talk -- everyone else wants to chat during the lunch hour, too
4) the space is never your own
5) by the time you wind up and wind down, you've left school
6) no big blocks of time for yourself; no free, full days
7) potential free time used up commuting each day
8) gas is expensive if there's a long commute.

Deciding that half days were unsatisfactory, these teachers next tried a 2 1/2 - 2 1/2 schedule. However, they found themselves coming earlier and staying later on their half days. They finally agreed that they enjoyed teaching together one day a week, and they now have a 3 - 3 overlap schedule.

Most teachers stressed that it is of importance of being able to do whatever feels right and works. The vast majority chose to either work two days one week and three the next, or both to work three days a week, with one overlap day. A few work half days every day; others alternate weeks.

It is important when job sharing in the lower grades that the partnership be presented well to the students. Two of the teams decided that since they were teaching small children, both teachers would come to school every day for the first month of school. In this way, the children became acquainted with both without being confused. They also realized that the two teachers work together and are friends.

There is substantial difference of opinion on how non-curricular commitments should be divided. These responsibilities include faculty meetings, parent conferences, school picnics and parties, field trips and PTA meetings. Two thirds of the teachers we spoke with favored attendance by both teachers at all functions, though they agreed that this contributed to pushing their work load way past the 50% for which they were paid. The other one third alternated attendance at meetings and filled each other in on the details later. Only one team divided parent conferences. For the most part, all teachers conferred with all parents on all subjects.

Decisions on goals

> "You must be unified in your approach when dealing with parents and kids since job sharing is new. It's hard on everybody if you don't have the same basic attitude."

There is agreement that major classroom philosophy is best worked out ahead of time, and presented clearly to the students. Rules of behavior, consistency and follow through have to be agreed upon. Teachers feel that students should solve their problem with the particular teacher with whom they've started and comparisons of "but she said" aren't allowed. The rules stand.

To keep flexibility, however, it is important for both partners to be informed of any deviation from the established policies. If teacher X gives Sam an extension on his project, Teacher Y has to know about it. If not, there will be a problem when Sam turns his paper in and gets scolded for its being late. Scenes can be avoided by keeping a partner up to date on exceptions.

Communication

Communicating -- how to do it, when and where to keep a record without disappearing under a mountain of scrawled notes -- is the biggest challenge mentioned by job sharers. Not only must they be concerned with communicating with each other, but also with the rest of the staff and with parents. This has been resolved by overlap days, conversation logs and information boxes. It is also one reason that teachers choose to limit themselves to their own distinct subject areas. By using communication time wisely, they share information that comes in from parents, discipline problem cases, major breakthroughs and the highs and lows of their classroom life.

When a team has worked out a communication system for itself, the next step is to work out how to deal with the staff. For the two librarians, confusion is avoided by ensuring that the partner who initiates a project with another staff member, carries it through to completion. Relations with full time staff are a potential problem, especially when job sharing arrangements are new in a school, and it is extremely important to allow for the time to work out satisfactory methods of dealing with possible resentment.

Similarly, when many of the teachers begin to share their jobs, they forestall possible misunderstandings with parents by calling meetings or by sending out advance information which explains the new arrangement as fully as possible. As one teacher remarked: "I taught in a team situation years ago and we saw that kids are flexible. I lived through that problem, and can reassure the parents."

For teachers who choose to work less than full time, sharing the classroom offers an exciting opportunity. It certainly can be time consuming, especially when the arrangement is new, less so as partners develop their own systems.

But, as we have seen so far, the rewards can be great. Successful partnership is most likely when teachers

-- agree on a classroom philosophy that is mutually acceptable and consistent

-- carefully evaluate their individual curricular strengths and enthusiasms

-- plan well for the division of tasks and schedule time appropriately

-- work out a reliable way of communicating with each other, students, staff and parents.

WHAT ARE THE ISSUES THAT FACE ADMINISTRATORS?

At the present time, few districts have enunciated specific policies and procedures concerning job sharing. Those policies which have been developed, are still in the process of change. In general, administrators have responded to each individual request on an ad hoc basis and have temporized each year in formulating commitments.

These pages describe only the current practice of those districts which use job sharing. The information covered includes:

- How the option is initiated.
- Reversibility, or changing from shared to full time.
- How fringe benefits and salary advancement are handled.

In addition, we review the districts' perspectives on possible financial savings and on the qualitative benefits derived from sharing.

What are the procedures for initiating job sharing in a district?

The main impetus for implementing job sharing has come from teachers. On their own initiative, individual teachers have drawn up proposals describing how sharing could work in their school. Sometimes two teachers have teamed up and approached their principal or personnel administrator together. Other times an individual has requested the option first, and then found someone (often with the principal's help) with whom to share a position after the proposal was approved.

Recently the concept of job sharing has also been initiated by administrators who feel that sharing offers an additional option for districts with declining pupil enrollment. For example, in early 1976, Palo Alto Unified and Santa Clara Unified sent out questionnaires asking teachers to give some indication of their plans for the next year. In both districts' questionnaires, one of the options offered the teachers was that of sharing a contract.

The general process arrived at by districts interested in using job sharing seems to have been to:

1. indicate that the district is willing to consider allowing employees to share their jobs;

2. request that any interested employee draw up a proposal describing how he/she would share a job including the name of a potential partner if one is known;

3. have the proposal reviewed by an immediate supervisor;
4. get final approval by the administrator in the district who is responsible for personnel decisions.

Administrative Concerns

How many?

Some administrators are concerned that they will be deluged by teachers wishing to share their positions. This has not occurred in those districts where the option has been open for the longest period of time.

Palo Alto Unified, which initiated the option in 1973-74, has had three to four pairs sharing each year. In Union District, there has been a rather steady rate of teachers asking for the option in the last three to four years; there are now eight teachers sharing four positions. In the Whisman District, where there are usually some shared positions, currently no one is sharing.

Authority to approve

The question of who should approve a new shared position was also raised. One district official felt strongly that the individual school principal must have the ultimate veto power, since he/she is the person most responsible to and knowledgeable about the community. (Most teachers also thought it was important to have the support of their principals when initiating the new arrangement.) Other districts have chosen to have the teachers submit requests which are reviewed by the Superintendent and passed to the School Board for approval.

Criteria for approval

A final issue raised by administrators was the specific criteria by which a proposal for sharing should be judged. One administrator thought that the most important consideration was "proven compatibility" -- that the sharers should already have a successful experience working together, presumably in the same school. He, and at least one other, also felt that the option should be available only to tenured teachers.

On the other hand, a principal in the PAUSD did not find previous compatibility essential to successful sharing. In his school and in others in the district, two people who initially did not know one another, shared a position with excellent results. In these instances, newly entering teachers have shared with experienced teachers.

Reversibility: changing from shared to full time

What happens when a teacher who has been sharing a job wishes to return to a full time position? So far this has not been a problem for districts, but it merits careful consideration. The answer to this question will strongly influence administrators who fear that an "all ye who come" policy now could create a problem in the future if a large number of sharers wished to return to full time position which might not be available then.

There is general acceptance among administrators that teachers should be allowed to return to full time whenever possible. Some districts have a written policy covering reversibility, others have established a general understanding with their sharers.

In Lafayette, teachers have a written contract stating that they have the option to return to full time, and that the district has the option to require it. Teachers in Los Altos have a similar written contract allowing them to return to full time.

On the other hand, in the Palo Alto district teachers retain tenure in their part time positions, but sharers sign an agreement which notes that there is no guarantee of returning to full time. However, in at least one instance, a teacher who started by sharing has since moved to full time.

Several districts do not have a written policy, but rather have a general understanding that sharers will be able to return to full time employment whenever possible, although there is no obligation on the part of the district to ensure full time employment. Milpitas, San Jose Unified, Union and Whisman districts have adopted this type of understanding.

How are fringe benefits handled?

The majority of districts we contacted have chosen to pro-rate fringe benefits for their sharers. In other words, for an individual working 50% time, the district would pay 50% of the benefits given to a full time employee. The sharer would then have the option of paying for full coverage.

Since statutory benefits (those required by law - Social Security, etc.) cannot be altered, the benefits in question are compensatory benefits (money paid for time not worked -- vacations and sick leave) and insurance and retirement plans. In general, compensatory benefits are easily pro-rated, and the others, in particular health insurance, require some negotiations with sharers.

In Los Altos, for example, the district has worked out several options for its six sharers. One person chose to receive full health benefits by paying the district one half of the total cost of the health plan. One chose to receive no benefits, since she was covered under a spouse's policy. The others chose a scheme of partial benefits. Los Altos indicated that their policy on benefits was in the process of change.

Palo Alto gives full benefits to sharers. Alum Rock currently also extends full benefits to its two sharers, but they have not made this a final policy. In the Whisman District, sharers work 51% time and receive full benefits.

In Fremont, where, for the first time, two individuals will begin to share in February 1976, the district will not extend fringe benefits to those working 50% time or less.

The Retirement Act change should also be noted. Since the passage of Assembly Bill 3339 (Brown) in 1974, a teacher 55 years old who wishes to work part time can have retirement benefits based on full time employment, if both the teacher and the district elect to make the contribution required to maintain it. For younger teachers who are job sharing, most districts generally prorate retirement benefits.

For the majority of districts, prorating seems to be the most successful method of handling the question of fringe benefits. The use of full benefits can create a limitation to the more widespread adoption of job sharing because of additional expense for districts. Not offering benefits to sharers obviously will discourage individuals from considering this option.

Salary Advancement

In most districts, teachers who are job sharing receive credit each year for one full year's advancement on the salary scale. Exceptions are:

- Milpitas, where teachers receive a half year's credit in advancement each year they share, and
- Alum Rock, where salary advancement depends on time division. For example, if a teacher worked one half of each day, he/she would receive a full year's advancement each year. However, if a teacher worked one half of the total number of days in a school year (e.g. 3 days one week and 2 the next), he/she would receive only a half of a year's increase each year.

Can job sharing save districts money?

It is too early to measure whether job sharing can be used as a possible money saving method. Some savings can be expected, possibly, in the use of fewer substitutes, since sharers can often cover for one another in the case of absence.

Some districts will realize savings because the teachers who wish to share are often at the upper end of the salary scale. In cases where two experienced teachers share, and a younger teacher is employed in the existing vacancy, there is, of course, a saving.

Of more immediate value, at a time when few districts are hiring new personnel, is the importance of offering job sharing as an alternative to termination of contracts. One personnel administrator in Santa Clara Unified, which has just begun to consider the option, proposed job sharing as a way to avoid some of the teacher dismissal caused by declining enrollment. "If we could get 20 people doing this (sharing) it could create 10 openings. That would be 10 teachers we could retain rather than lay them off."

What are the qualitative benefits offered by job sharing?

"Basically, it is a good arrangement for teachers as an employment policy. If we have the right match, then it is good for the kids," was the way one district official responded to this question.

Assuming that the right match is essential to successful job sharing, the first qualitative benefit comes from the opportunity to diversify experience levels.

Younger, newly trained teachers (who may be brought in by job sharing) or those newly tenured, may be paired with older, more experienced teachers. As was pointed out by one enthusiastic principal: "It helps the school district when you have a balance of new blood coming in, a middle group, and then a very experienced group, which may not want to work full time either."

Job sharing is also then a means of retaining older teachers who wish to work less. Some teachers in this category may be those approaching retirement. Since the change in the Retirement Act noted earlier, job sharing becomes a viable financial option for them. Although some districts also have a special consultant's policy for older teachers, a limited number of consultants are needed. Shared jobs offer an attractive arrangement for these experienced personnel.

The pairing of complementary skills is cited as another valuable benefit. Careful pairing gives a partnership an enormous versatility and curricular strength. This is further enhanced by the stimulation which comes from two professionals working in close collaboration.

Perhaps the most frequently mentioned bonus of job sharing is the energy level of teachers who are refreshed. "We're getting more mileage and they're certainly doing beyond their 50%" was a typical comment. "They're able to spend much more time with the kids" was another. "We feel that most people give more...and this effort will aid our instructional program, providing variety and stimulation and good motivation for our youngsters."

Finally, a less obvious, but nonetheless interesting side benefit may result from the closer communication with parents which often occurs in the beginning of a partnership arrangement. Administrators who worried about parental reaction were surprised often by their approval of the new arrangement. "I'd anticipated negative response from parents, but on the contrary, they've been pleased and I must credit the teachers and their principals especially" noted one district official. An informal survey of parents whose children were in three shared classrooms was circulated by a teacher who wishes to share; it showed a large majority felt that the children definitely benefited from the program and that it should be continued.

To review: administrators in districts which are utilizing the option of job sharing are pleased with the results, which are, as of now, based on a limited number of sharing arrangements. The question for the future will be whether the use of such arrangements can be extended successfully.

WHAT ARE THE RELEVANT QUESTIONS FOR THE FUTURE?

Our preliminary investigations have shown that for both teachers and district administrators, the successful extension of the job sharing option will depend on the careful examination of these questions:

- How should the option be initiated?
- To whom should the option be extended? Tenured, non-tenured people, certificated, classified? Should specific criteria be established?
- Do districts need to limit how many positions should be shared? If so, how?
- What should be the obligations of the district to sharers who wish to return to full time?
- How shall fringe benefits be allocated?

The way these questions are answered will determine whether opportunities for job sharing increase or are limited. After talking with both teachers and administrators it is our strong conviction that flexibility is the most important factor for successful job sharing -- flexibility in terms of who can share and how they can share. Because of this, the individual evaluation of each teacher's proposal, within whatever general guidelines are decided upon, is paramount.

The challenge to education in the 1970's is to continue and enhance quality without incurring increased costs. At a time when much is demanded of public education, the system itself can exemplify innovation in its own "way of working". Job sharing is one means.

CURRENT PRACTICE BY DISTRICTS

District	Number of Sharers	Benefits	Reversibility and Tenure	Credit for Salary Advancement
Alum Rock	2	Full	no written policy	½days = 1 step full days. ½ required time = ½ step
Fremont	2	part time-no benefits	Pilot program beginning Feb. 1976 - not yet decided	
Lafayette	10	Pro-rate	Retain full time tenure Teachers have option to return to full time & district can require Written in contract.	full year
Los Altos	4	Pro-rate individually negotiated in process of change	Retain full time tenure. Written in contract.	Not yet decided (Assume full time at present)
Milpitas	2	Pro-rate	Try to allow return No written agreement.	½ year
Palo Alto	6	Full	Tenure as part time only Written agreement	full year
San Jose Unified	6	Pro-rate	Try to allow return . . . "whenever possible" No written agreement	full year
Union	8	Pro-rate individually negotiated	Try to allow return whenever possible No written agreement	full year
Whisman	none in 75-76	Full for 51% time	Try to allow return No written agreement	full year

PALO ALTO UNIFIED SCHOOL DISTRICT
Certificated Personnel

INFORMATION ON TEACHER NEEDS FOR 1976-77

Information about your plans for next year is needed now to help the district in planning and staffing for 1976-77

Please check any one or a combination of statements listed below and return the form to your principal or central office department head by Tuesday, January 20. Your cooperation and candidness will be most helpful.

☐ I am definitely planning to return to Palo Alto Unified School District in September 1976.

☐ I am definitely planning not to return next September.

☐ I have or will apply for a leave for 1976-77. ____Full Year ____1st sem. ____2nd sem.

☐ I would like to remain in my current assignment.

☐ I plan to apply for retirement status or enter one of the Early Retirement Programs.

☐ I am interested in exploring the possibilities of job sharing.

☐ I have applied for overseas teaching or an exchange.

I wish to explore a transfer another school. (Check leve See Item #4 on back:

☐ Elementary

☐ Middle School

☐ High School

I understand that my plans as checked and stated above are not binding upon me nor upon the school district.

Signed________________________

________________ Grade/Subject

________________ Subject

________________ Date

PERS:1/76

San Jose Mercury Friday, Jan. 23, 1976

A Job-Sharing Proposal For S. C. School Teachers

By LELAND JOACHIM

SANTA CLARA — Like to split your job with someone else?

That's what some Santa Clara teachers will be doing in the future under a program Santa Clara Unified School District is calling job sharing.

The purpose as explained by Personnel Administrator Nick Gervase, is to avoid some of the teacher dismissals caused each spring by dipping enrollments.

"If we could get 20 people doing this, it would create 10 openings. That would be 10 teachers we could retain rather than lay them off," Gervase said.

The district, faced with the worst budget crunch in recent years, fired 60 teachers last spring, was later ordered by a Superior Court judge to rehire 20.

Gervase pointed out some teachers are teaching for a second income and would be happier working half the number of hours they put in now. Others have reached a point where they'd like to go back to school, still others might want to ease gradually or pursue other outside interests, full retirement. Young women, and perhpas perhaps men too, might like to spend more time at home with their own children.

Gervase thinks students would benefit from job sharing. Two heads, he said, are better than one, and the teachers would "encourage and stimulate each other."

They would "teach to their strengths," with one teacher, for example, taking responsibility for most of the reading instruction because she's strong in language arts, and the other, because science is her strong suit, taking charge of that.

Since they would be less apt to become exhausted, they would "put more effort in," Gervase believes.

"It's an educationally sound practice," Gervase said.

He pointed out job sharing couldn't be one person taking one semester and another another semester. "That's part-time teaching. In job sharing neither of the teachers would be out of the classroom for more than a day or two."

The program probably would be worked out so a teacher would work one-half day every day or all day on alternate days. Sometimes they would be in the classroom together.

Teachers will get a full year's credit for retirement at a reduced rate, and will be required to pick up half the cost of their health insurance.

Each year teachers are asked to indicate if they plan to retire, ask for a leave, resign or return to teaching in the fall. This year a notice was attached to the questionnaire calling attention to job sharing as a another alternative.

Gervase said the district "wouldn't merely assign people" to job sharing, but will try to match compatible teachers from those who have expressed interest, then work it out with parents and principal.

EXAMPLE OF A TEACHER'S SUCCESSFUL PROPOSAL

Dear________________________________

We have an idea for which we hope you will share our enthusiasm! We have a plan for next year that, we believe, will benefit the children we teach, the district, and the two of us. Our idea is to share a fifth grade class. This would include each of us teaching two and three days a week on alternating weeks. That is, Teacher X would teach two days and Teacher Y would teach three days during week 1. Week 2, Teacher X would teach three days and Teacher Y would teach two. Week 3, we would repeat week 1, and so on. Whisman District in Mountain View has successfully used this plan for three years. You may be concerned about continuity for the children. We don't believe this would be sacrificed. The two of us would do the advance planning together. Daily subjects are easy for one person to pick up from another. In reading and math, for instance, notes from one teacher to another easily explain what has been done and what remains to be done. Some subjects don't have to be taught daily, like history and science. It is our idea that one of us could be responsible for history and teach it half the week, while the other could be responsible for science and teach it the other half. This would allow for (1) more concentrated blocks of time for the children to study each subject and for (2) better use of teacher time in that she could concentrate on preparing for one subject rather than splitting her time between two.

We feel that our plan could be beneficial to the children in the following ways:

1. Since different teachers have different strengths, the children would benefit from the strengths of two teachers rather than one. They would benefit, for example, from the artistic talent of one of us and the scientific interest of the other.

2. With more time off to relieve pressures at home, we would be more relaxed and in a happier frame of mind to work with our children. It is a fact that the productivity of an employee is directly correlated with his degree of happiness.

3. With pressures at home relieved, we would have some free time to devote to more detailed planning, making learning centers, and other classroom duties. We anticipate that during some of the weeks where we teach two days, we would still come to school three and use the third day as a "teacher prep day".

4. There would be increased continuity because of the probable elimination of substitute teachers in our class. If one of us were sick, the other could "swap" days with her. The children would not spend a period of adjustment to a stranger in their classroom.

We feel that our plan could be beneficial to the district in the following ways:

1. Two teachers taking the job of one creates an opening for another teacher, thus helping with the district's current over-supply of teachers.

2. Paying for substitutes could be eliminated. If both of us had our own class on a full-time basis and each of us used our 10 days sick leave at roughly $30 a day for substitutes, it amounts to $600 a year. If we share a class and fill in for each other when illness occurs, the district stands to benefit substantially.

3. Both of us are near the top of the salary schedule. By allowing us to share a position giving us half-salary and half fringe benefits, it would free a position that could be filled by a lower-paid teacher. This could save the district as much as $4,000 or more per year.

4. The district would be getting more teacher time for their money, because with responsibilities at home taken care of, we would be more inclined to spend our free time toward enriching the educational experiences in our classroom.

We feel that our plan could be beneficial to the two of us in the following ways:

1. Conflicting demands on our time from home and school would be reduced. The result would be two happier and more relaxed people.

2. We would be able to produce the kind of learning atmosphere that we would like to have in our classrooms but don't presently because of time limitations.

3. We could accumulate more sick leave for future emergencies and retirement.

It is our feeling that the present policy of allowing a teacher to take a half-year or full-year of absence would not produce the same advantages for those concerned. If we were to share a classroom on a 4½ month-4½ month basis, we would still be teaching full-time during the 4½ months that we were on duty. We feel that the advantages to our plan hinge upon its concept of part-time teaching. A leave of absence would negate all of the advantages listed above for the children and for us, as well as advantages #2 and #4 above for the district.

Our proposal to you is that you allow us to try our plan as a pilot program for one year. At the end of that year the program may be eliminated by you or by us, or it may be extended by mutual agreement.

We feel that ______________ School District, as an innovative forward-looking district has nothing to lose and much to gain in accepting this proposal.

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EXAMPLES OF TEACHERS' LETTERS TO PARENTS

Dear ______________________________.

Your child has been assigned to our fifth-grade classroom for this next school year.

On Tuesday evening at 7:30 P.M., Room 18, we would like to introduce our new approach of teaching to the parents of our future students. At this time, you will have the opportunity to become familar with our program and ask any questions that may arise.

We would like to encourage you to attend and look forward to meeting you.

Sincerely yours,

____

____

- -

Dear ______________________________.

Last June we held a meeting for the parents of the students who would be in our fifth-grade classroom this September. At this meeting we introduced our new co-operative program.

At the Open House this Thursday evening, September 25, we would like to give those parents who were unable to attend our June meeting another chance to become informed of our program. If you are interested in attending, we would like to ask that you meet with us at 6:45 p.m., 15 minutes previous to the opening of Open House.

We are looking forward to meeting you and answering any questions that you may have. See you at 6:45.

Sincerely yours,

____

____

Example of one rotation schedule used by a job sharing teaching team.

	8:45-8:55 Opening	8:55-9:45 Reading		9:55-10:55 Math		11:05-11:55 History Science		12:50-1:50 Science History		2:00-2:20 Spelling	2:20-2:55 PE	
MON	☒	☒ Reading	9:45-9:55 Recess	☒ Math	10:55-11:05 Recess	☒ Science Health	11:55-12:40 Lunch	☒ Science Health	1:50-2:00 Recess	☒ Grammar Spelling	☒ PE	3:00 2:55 Summary & Dismissal
TUES	☒	☒ "		☒ "		☒ "		☒ "		☒ "	☒ Grammar Spelling	
WED		"		"		History Geography		History Geography		Creative Expression Spelling	PE	
THUR		"		"		"		"		"	"	
FRI		"		"		"		"		Art	Art	

↑ WEEK ONE ☒ Teacher A / Teacher B ☐ WEEK TWO ↓

MON		Reading	Recess	Math	Recess	History Geography	Lunch	History Geography	Recess	Creative Expression Spelling	PE	Summary & Dismissal
TUES		"		"		"		"		"	Creative Expression Spelling	
WED	☒	☒ "		☒ "		☒ Science Health		☒ Science Health		☒ Grammar Spelling	☒ PE	
THUR	☒	☒ "		☒ "		☒ "		☒ "		☒ "	☒ "	
FRI	☒	☒ "		☒ "		☒ "		☒ "		☒ Art	☒ Art	

JOB
SHARING

NEW WAYS TO WORK
457 Kingsley Avenue
Palo Alto, CA 94301
(415) 321-9675

CHRONOLOGY OF JOB SHARING

1968 Catalyst sponsors studies of permanent part-time teachers and permanent part-time social workers.

Catalyst position paper defines terms: shared, paired, split level permanent part-time, flexible time, etc.

1970 New Time, Inc., a private placement agency, opens. They receive national publicity on the positive benefits of using part-time personnel.

1972 New Ways to Work in Palo Alto begins to give workshops on flexible scheduling, permanent part-time, job sharing.

1973 Berkeley City Council votes to allow city employees the option of sharing their jobs or working as permanent part-time workers.

Sen. Tunney and Rep. Burke introduce legislation in the Senate and the House on Flexible Hours Employment. (The bills have since been re-titled Career Part-Time Employment.)

Palo Alto Unified School District begins to allow the sharing of contracts if teachers submit a well thought out proposal.

1974 Instances of job sharing in California begin to increase and are documented:

Director of Stanford University's ARLO program
Director of DeAnza Junior College's program for
  Handicapped Students
Naturalist, City of Palo Alto
Director of Extended Resources Center, PAUSD
Director of JAC program, U.S. Department of Labor.

Tunney bill comes out of committee with recommendation to pass.

City of Palo Alto decides to use job sharing to implement its affirmative action plan.

1975 Palo Alto School District offers option of part-time to teachers over 55.

Tunney bill passed by Senate, sent to House (HR. 7124)

Maryland and Massachusetts pass similar legislation.

Senator Omar Rains (Joint Committee on Legal Equality) introduces legislation in the State of California senate which would create and expand permanent part-time employment opportunities and shared jobs for state employees (SB 570).

CETA funds New Ways to Work pilot project on job sharing.

League of California Cities endorses concept of job sharing.

JOB SHARING

NEW WAYS TO WORK
457 Kingsley Avenue
Palo Alto, CA 94301
(415)328-4974

JOB SHARING AND THE COST OF FRINGE BENEFITS

"What will I do about fringe benefits?" This is often the initial response we hear from employers when they are asked to consider allowing two people to share one job.

It is important to extend benefits to permanent part-time employees in order to encourage their personal identification as full members of the company's community. In order that this not mean an inequitable expense for the employer, we advocate the proration of fringe benefits; that is, the employer pays half the amount for each half time job sharer that he would pay for a full-time employee. The employees can then pay the additional amount for full coverage, or not, as their need demands. The following outline of specific costs and offsets shows how prorating would work.

The general categories of benefits are: (1) those which the employer pays for on a per capita basis and (2) those paid for as a percent of payroll or individual salary. Head count benefits will cost the employer more, usually, when two people are hired instead of one. Payroll or salary based benefits will not cost more for two people.

PER CAPITA BENEFITS

Social Security contributions (required by law) will cost an employer extra only if the combined salaries of two job sharers exceeds $15,300 per year. Between $15,300 and $30,600, the employer must pay 5.85% of the total. For example, at $20,000 combined salary, an employer would pay $274.95 additional per year. The maximum extra cost would be $895.05 at a combined salary of $30,600.

State and Federal Unemployment contributions work similarly except that the expense increases above combined salaries of $4,200 per year, and reaches maximum at a combined salary of $8,400 per year. However, since percentage charges are so small, the maximum extra costs to employers are $113.40 per year for state, and $21.00 per year for federal insurance.

Medical insurance can be handled by having the employer pay a percentage of the amount he pays toward a full-time employee's coverage. The job sharers then have the option of paying the extra expense if they would like the coverage, or refraining if they do not wish to be included in it (this, of course, saves the employer his share as well).

BENEFITS BASED ON PAYROLL OR PERCENT OF SALARY

Workman's Compensation premiums are usually paid by the employer as a percent of payroll, and therefore cost no more when two employees are hired instead of one. Some employers are self-insured for Workman's Compensation (Stanford

University, for example); but risks are no greater with two employees sharing a job, because the number of person-hours spent on the job would be the same.

Many other benefits, such as life insurance, travel insurance, retirement plans and profit sharing are based on the employee's earnings and can therefore be automatically prorated for part-time employees.

Vacation, sick leave, etc., which anounts to salary paid for time not worked is the most easily prorated category of benefits. Normally the half-time employee would be entitled to half the vacation time provided for full-time workers, etc.

HOW BENEFITS ARE CURRENTLY BEING HANDLED FOR PERMANENT PART-TIME EMPLOYEES

Several employers in the San Francisco Peninsula area are extending prorated benefits to their permanent part-time employees. As we have said, we believe this to be the best model because it is the most equitable and practical. (Stanford University and SLAC are examples.)

Some other employers (Lockheed, Hewlett Packard) have modified benefits for permanent part-time employees, e.g. Lockheed's medical plan does not cover office visits for dependents of part-time employees, and H.P.'s Medical Plan provides no Long Term Disability for part-time employees. This kind of flexible approach can be used to tailor benefits to the circumstances of the individuals involved.

Some currently extend full benefits to part-time employees (City of Palo Alto, Ampex Corporation, Santa Clara County, S.R.I., American Institute for Research). This approach is generous but not ideal because the extra cost may discourage wider use of job sharing in the future. However, in time it may become apparent that the benefits to employers of job sharing -- increased productivity, flexibility and access to jobs -- will outweigh any additional administrative or benefits/overhead costs.

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Studies and Bills

California, Legislature, S.B. 570/1975. (Rains, Stevens, and Maddy). March 12, 1975, amended in Senate May 1, 1975. Part time Employment Pilot Program for the Joint Committee on Legal Equality.

Enacts the Part-time Employment Pilot Program which states that a percentage of each class in all State agencies be available on a part-time employment basis, (not more than 32 hours of work per week). A two year pilot program starting January 1 1976, would establish the feasibility of such a program. (Bill did not finish review in FY75, will be re-introduced in 1976.)

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Studies part-time teachers in five school districts. Conclusions: there are many well-educated women willing to teach part-time; negative preconceptions of part-time by administrators are generally mistaken; part-time teachers are most successful in communities that use them in an organized program.

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JOB SHARING

A GUIDE TO DEVELOPING A JOB SHARING PROJECT

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A GUIDE TO DEVELOPING A JOB SHARING PROJECT

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I. INTRODUCTION

I. PURPOSE

New Ways to Work is a community vocational resource center located in Palo Alto, California. It was started in 1972 as a means of helping people who felt that existing patterns of work did not suit their needs. In the past 3½ years, hundreds of first-time workers, re-entry women, unemployed professionals, budding entrepreneurs, and others have used the resources of the center to find work that has meaning for them. From the beginning, these job seekers included a considerable number of people who could not or did not want to work 40 hours a week (or more) at one job. Instead, they were seeking permanent, part-time work which would allow them time for other interests and responsibilities. New Ways to Work's staff began to build information resources on permanent part-time work and job sharing in an effort to help people re-structure their jobs.

New Ways to Work was asked to develop this module by Project Careers, a joint project by Metropolitan Adult Education Program of San Jose and American Institutes for Research funded by the U.S. Office of Education. The purpose of Project Careers was to gather and disseminate information on career guidance approaches being used with adult populations and to implement and field test two approaches. A major need which emerged as part of this project was for techniques and approaches for developing responsible part-time positions, particularly for women. Project Careers asked New Ways to Work to develop a manual which other groups and organizations could use as a guide to promote job sharing. This manual provides a vehicle for women and others to organize and promote part-time jobs for themselves.

This manual will be of'interest to anyone who wants to learn more about the shared job concpet. It will be particularly useful to staff of an organization which has the purpose of promoting more flexible job arrangements through working with individual job seekers and employers. The manual will also be a valuable resource for individuals who want to develop a permanent part-time job for themselves and for employers who are interested in exploring more flexible work arrangements for their employees.

If you belong to an organization or agency which would like to develop a program aimed at helping people re-structure their jobs, it might be helpful to consider that:

- the groups most successful in implementing this sort of change have had previous experience in counseling and job development;
- a minimum of two full-time (or 4 shared) staff people is necessary for implementation of a fully developed project. The program can be initiated a little at a time, however, just as it was at New Ways to Work.

Use as the Basis for a Workshop

This manual is organized as an instructional module which can be used as the basis for a workshop. The introduction section includes desired outcomes for participants and a brief suggested outline for a workshop. Exercises are included to reinforce key concepts in the reading and to allow participants to apply these concepts to their own situation. There is considerable background information on job re-structuring and suggestions on how to assist individuals and employers. A workshop leader can read through the module and select the information to present and structure a workshop to meet the needs of the particular group.

2. MODULE GOAL AND OUTCOMES

Module Goal

To help you and your organization develop a counseling and job development program which addresses the needs of your clients who are seeking permanent, part-time, or shared job opportunities.

Module Outcomes

When you have completed this program you will be able to:

(1) State the assumptions on which job sharing is based.

(2) Explain the concepts of job sharing to people seeking to re-structure their jobs (either the job they already have or one they are looking for). You will include at least two techniques which they can use to increase chances of success.

(3) Design a job development program which will create a dialogue with employers in your area about job sharing. The program will educate employers about the advantages of job sharing and help employers design means of implementing job sharing in their own institiution for both current employees and job applicants.

3. MODULE OUTLINE

Below is an outline suggesting how this manual can be used as the basis for a workshop for people who want to promote job sharing.

Six hours-two sessions, three hours each.

Session I

1.	Introduction of Basic Concept of Job Sharing (pp. 9-24)	30 minutes
2.	Exercise 1 - Job Sharing (p. 25); Discussion	30
3.	Coffee Break	15
4.	Helping Individual Job Seekers (pp. 27-53) Workshop for Job Seekers - First Session (pp. 38-41)	15
5.	Exercise 2 - Pairing (p. 54); Discussion	60
6.	Workshop for Job Seekers - Second Session (pp. 41-43)	15
7.	Summary	15
		3 hours

Session II

1.	Job Development (pp. 55-66)	30 minutes
2.	Exercise 3 - Identifying Employers (p. 67); Discussion	30
3.	Exercise 4 - Role Playing Interview (p. 68); Discussion	60
4.	Coffee Break	15
5.	Information Resources (pp. 69-72)	15
6.	Questions on Total Presentation; Discussion of Jobs which can't be Shared	30
		3 hours

4. GLOSSARY OF TERMS

Job Re-structuring	Refers to the re-shaping of the content or the time of an existing job. Until recently, it has been used predominently in reference to changing the content of the job. This module however, uses it mainly in relationship to time.
Shared Job	One full-time position for which two or more people share responsibility.
Permanent Part-Time	Refers to jobs requiring 30 hours a week or less to perform. As we use it, it implies the existence of fringe benefits, responsibility, and upward mobility.
Worker Option	A choice which can be exercised by a worker; in this context the choice of working full-time or part-time in his/her job.
Flexible Hours	A generic term which covers the various ways industry has experimented with the 40 hour work week in an effort to increase the commitment of the full-time worker (and hence increase productivity) to the organization. It includes the four day work week, the three day week, and flextime.
Flextime	A new system of work scheduling which allows an employee to choose — within parameters — his or her work schedule. Although there is a "core" time which all workers are expected to adhere to the hours, preceeding and succeeding that time may be scheduled the way an individual wishes. (For example, if the core time were from 10:00 a.m. to 2:00 p.m., the worker could arrive at 6:00 a.m. and leave at 2:00 p.m., or arrive at 9:45 and leave at 5:45 or any increment in between that suited his personal needs.)
Exempt and Non-Exempt	This is a personnel term which differentiates between workers who are covered by Fair Labor Standards overtime regulations. In general, professional, administrative, and executive employees are considered exempt.
Fringe Benefits	Compensation in addition to salary, such as medical insurance, social security, paid vacation, etc.

II. BACKGROUND

I. A LITTLE HISTORY

Definition of a Shared Job

Shared Job

A shared job is one full-time position for which two or more people share responsibility. Each person then holds a permanent part-time job. Salary and fringe benefits are pro-rated according to hours worked.

Where and Why Did People Start Sharing Jobs?

No one knows who first concluded that one regular full-time job could be shared by two people. It was probably someone who was working full-time in a job he or she enjoyed, but who no longer wanted to work full-time and knew someone who could "share" the position.

Catalyst Project

The first time the term job-sharing was used in a formal program designed to increase the use of this new work pattern was in 1968. A group called Catalyst located in New York City obtained funding for a pilot project which allowed social workers in the Massachusetts Department of Public Health to split 25 new positions and share them among 50 women. As an organization, Catalyst was interested in career-oriented, permanent part-time opportunities for college educated women who had interrupted their career in order to raise a family. Although the idea was difficult to initiate (it took them four years to find a department which would try it), the response to the program was overwhelmingly positive. More than 1500 called to inquire about the program and 250 women applied to be considered for the openings.

After working with the Department of Public Health for a year, one of the workers said, "The experiences of this past year have been in many ways so rewarding that I could easily slip into a testimonial: How I found Catalyst and was saved." The supervisors were equally enthusiastic and reported that the part-time social workers each were able to produce 89% of the work load of a full-time employee. They also pointed to the fact that absenteeism and turnover among the part-timers was significantly lower than among the full-time personnel.

Positive Response

Publicity about the Catalyst project resulted in a wide spread national response from both individuals and groups who supported the concept. It became obvious that there were many people--men and women--to whom the opportunity for a challenging part-time job was very important.

A lot has happened in the eight years since the original Catalyst experiments--what about job-sharing now? In 1968 one of the attractive aspects of allowing people to share a job was the ability to enlarge the pool of qualified job-seekers. The economy was viewed as constantly expanding. The women that Catalyst represented were primarily college educated professionals whose "trained skills" were seen as lost to the economy during the years that they "dropped out" of it.

The Mid 60's

Today, this argument has less appeal. Few people expect a return of the fast-paced growth of the '60's. Unemployment has reached new highs and, at the same time, other groups within our socity are demanding wider and better access to existing jobs. What then is the appeal of sharing a job?

First of all, job-sharing represents a very appropriate response to the many life-style changes that have taken place in our society in the past ten years.

Secondly, it is a means of re-distributing work hours so that more people can be employed.

In an article on "Changing Family Life Styles", sociologist Jessie Bernard suggests that "Our new concern will ask industry to accommodate to the family rather than requiring the family to accommodate to industry. It calls for extensive increase in the availability of part-time work for both men and women so that fathers and mothers can share roles providing income, child rearing, and socialization".

Why People Want
Part-Time Work

In addition to parents of young children (increasing numbers of whom are single) many other people are seeking part-time employment to balance their work with other responsibilities in their lives. For example:

-the minority woman who needs to work while she finishes school

-the ambitious secretary who needs special training to qualify for a job category newly opened to women

-the top executive, recently recovered from a heart attack, who is trying to reduce his work load

-the man approaching retirement, who is seeking a way to adjust to the change from full-time work

-the middle aged professinal man who is looking for time to explore the possibilites of a new career

-the homemaker, whose children are grown,
who wants a part-time job

Others may seek to support their community service work or a non-lucrative profession.

Social Pluralism

These people illustrate our growth toward what has been called social pluralism. Our society has become too complex for us to view a single, "majority rules" lifestyle as the answer for everyone. Why then do we continue to hold up the 40-hour work week as the "correct" way to work? Increasing numbers of people are questioning the validity of traditional full-time employment in their own lives and are seeking work options--such as job-sharing--which will bring into better balance their private lives and the demands of their job.

Changing Life Styles

Need for More Jobs

Another need that has become increasingly evident in the past year and a half is for a re-structuring of work which will provide more people with better access to jobs. Our country has many more people who want to work than it has jobs available. Allowing two people currently working full-time to share a job would free one full-time position.

There are many instances which make it difficult for a person to work full-time. One San Francisco Bay Area City formerly had a number of employees who were allowed to work part-time while they attended school full-time. An "economy" order eliminated all part-time categories and these workers were given the choice of staying on as full-time employees or leaving. In a society that depends on a highly trained, well educated work force, this would seem to be a short-sighted policy. It is, however, a policy that is far too prevalent. Traditionally, the part-time worker is one of the first to go when there are cut-backs in the work force. Because of this, many full-time employees hesitate to express an interest in permanent part-time--and continue to fill work hours which they neither want nor need and which consequently are lost to someone else. It is time to recognize permanent part-time work as being a responsible, viable way of working.

The following page summarizes major events relating to job sharing.

HISTORICAL HIGHLIGHTS OF JOB SHARING

1968 Catalyst sponsors studies of permanent part-time teachers and permanent part-time social workers.

Catalyst white paper defines terms: shared, paired, split level, permanent part-time, flexible time, etc.

1970 New Time, Inc., a private placement agency, opens. They get national publicity on the positive benefits of using part-time personnel.

1972 New Ways to Work in Palo Alto begins to give workshops on flexible scheduling, permanent part-time, and job sharing.

1973 Berkeley City Council votes to allow city employees the option of sharing their jobs or working as permanent part-time workers.

Sen. Tunney and Rep. Burke introduce bills in the Senate and the House on Flexible Hours Employment. (The bills have since been re-titled Career Part-time Employment.)

1974 Instances of job sharing begin to increase and are documented:

- Director of Stanford University's ARLO program
- Director of DeAnza Junior College's program for Handicapped Students
- Naturalist, City of Palo Alto
- Director of Extended Resources Center, Palo Alto Unified School District
- Director of JAC program, U.S. Department of Labor

Tunney bill comes out of committee with recommendation to pass.

City of Palo Alto decides to use job sharing to implement its affirmative action plan.

1975 Palo Alto School District offers option of part-time to teachers over 55. They also begin to allow the sharing of contracts if teachers submit a well thought out proposal for doing it.

Tunney Bill passed.

Senator Omar Rains (Joint Committee on Legal Equality) introduces legislation in the State of California senate which would create and expand permanent part-time opportunities and shared job for State employees (SB 570).

CETA funds New Ways to Work pilot project on job-sharing

League of Cities endorses concept of job sharing.

2. DISTINCTIONS BETWEEN TYPES OF RESTRUCTURED JOBS

Important Differences

As more and more people found their way into less than 40 hour a week jobs, distinctions began to emerge which decribed the different ways to deal with the time and the content of the job. In the effort to create more permanent part-time opportunities the terms split job and then shared job began to be used. Although all three refer to alternatives to full-time employment, there are important differences.

Permanent Part-time

Permanent part-time employment is a generic term for employment which requires less than 30 hours of work a week. This includes people sharing or splitting a full-time job. It is also used to describe those specific jobs which are by their nature "part-time" if they are also permanent and include fringe benefits. (Most temporary, part-time jobs do not have benefits.)

Split Job

When a full-time position is re-structured, it can be either split or shared. A split job is one in which the tasks can be neatly divided and the two people splitting it do not necessarily interact at all. For example, an assembly line worker who works every other day or a social worker who assumes half of a case load.

Shared Job

A shared job, on the other hand, requires both communication and co-operation between those working together. To most of those who have re-structured a job in this manner, the "sharing" is taken literally. In order to do this, there must be a commitment from both people to flexibility and mutual support. What results is a new way of working. People who share a job with another person know that they are both responsible for the total job. This may mean that they are both responsible for having the total time covered, such as in a receptionist position, or for accomplishing the total task. If the position is task oriented, the two people might even work during the same hours part of the time. This is the most collaborative pattern of job sharing.

Split Level

Sharing a job may also involve a split level basis of responsibility; that is, dividing a job into two separate levels of training or ability. For example, in a planning position in which the planner does both the planning and the drafting, the position could be split into one which called for a planner and a draftsperson. Some people believe that this kind of re-structuring has a great potential for training and consequently can be used to implement affirmative action hiring.

1. THE "IDEAL" JOB SHARING PROJECT

The ideal program would be able to neatly balance the needs of the individual seeking a re-structured job with the job development necessary for shared employment opportunities in his/her field.

Services for the Individual

In order to do this it would offer services to individuals which would include:

-helping value clarification and skills identification for those people who do not want to work full-time but who are unsure of what job area they best qualify for

-teaching them the concepts and strategies of interviewing as a shared team

-providing them with support and additional information as it is needed during their job-hunting period

-developing an extensive Talent/Skills Bank from which they can pair up with someone else

-generating successful job development support (keep those listings coming in)

-providing staff support and access to possible "pairs" for those who are working full-time and wish to re-structure their job

-organizing working groups to provide opportunities to role play some expected situations

Services for the Employer

The work with the employers would include:

-developing an understanding of the problems the employer faces for which job-sharing could be a viable solution. (Is the firm becoming top-heavy with older workers? Are they having difficulty recruiting or holding people for some of their more tedious jobs? If it is a school district, are they faced with lay-offs because of declining pupil enrollment?)

- being able to answer the employers questions about fringe benefits and other issues.

- providing training for the supervisors which would show them how job-sharing works and how it can help them achieve such management goals as implementing an affirmative action program.

- providing workshops for employees who wish to re-structure their jobs. (This would include access to the Skills Bank for those who were looking for someone to pair with.)

In addition to the work with individuals and employers, an ideal program would include comprehensive media coverage designed to educate the public in the basic concepts of job-sharing and the specifics of your organization's program.

Since most of the organizations which are interested in increasing the opportunities for job-sharing are in the grass-roots, non-profit, social change mode, the "ideal" will often remain something to aim for rather than the reality. This does not, however, mean that a program without all these components at one time can not be successful. Everytime a successful shared job occurs and is noted, the process becomes easier for the next person. Because of this, any efforts towards legitimizing the idea of sharing a job help all of us who believe that it should exist as an employment option.

Any Effort as
a Contribution

4. RELATIONSHIP OF ASSUMPTIONS AND THE PROGRAM

Assumption	Program Action
There are currently more responsible, career oriented full-time jobs than there are good, permanent part-time positions. Sharing one full-time job enables people to create new alternatives to full-time work.	The over all program outlined in this module is in response to this assumption.
People can create a re-structured job for themself if:	The program developed and makes available:
(1) they are given information and support;	(1) information such as where people are sharing jobs and how potential problem areas such as fringe benefits are dealt with; support and encouragement, recognizing that these people have added the component of creating change to the already difficult burden of looking for a job;
(2) they arrange a way of sharing the job rather than leaving this burden to the employer; and	(2) the Talent Bank which helps the job-seeker find a partner;
(3) they can sell the employer on hiring two people for one full-time job by a presentation which shows that they can do a better job than a single applicant could.	(3) workshops in which people learn to examine the diversity of a pair's background and skills and how to present their two resumes as a package.
Employment pattern can be changed by:	Part of the program is the development of materials and services that:
(1) educating employers to the changing needs of individuals (both current employees and job-seekers);	(1) document the needs of job-seekers and also of those people currently employed who need new alternatives (older workers, single parents, etc.);
(2) citing the benefits to their firm; and	(2) cite evidence of increased flexibility and productivity and reduced absenteeism, turnover, etc.;
(3) offering support services which will help create this new employee option.	(3) help supervisors initiate job-sharing in their departments and counsel full-time employees who wish to restructure their jobs; explain the concepts in a way that presents this new option as an opportunity and not a threat.

5. EXAMPLES OF PEOPLE WHO ARE SHARING A JOB

Two Examples

Here are two examples of the kinds of jobs which are being shared and how they were re-structured. In the first example the job was originally full-time for one person and then restructured. In the second example two people applied as a pair for a full-time job and convinced the employer during the interview process of the merit of sharing the responsibilities.

Legal Secretary

Mary X was a legal secretary working full-time. Due to a shortage of clients, her employer was forced to cut her work time in half. After a number of months her work load began to increase and the lawyer wished her to resume full-time hours. In the interim, however, she had become committed to the idea of working half-time and as a result of her feelings her employer decided to hire another half-time person rather than to lose his secretary of long standing.

Family Responsibilities Determined Schedule

The two women soon began to develop a mutually satisfactory system of work scheduling. One woman had small children, the other's were older. Because of this, they decided to split the time mornings and afternoons, with the mother of small children taking the mornings so she could be at home when her children arrived back from school.

Different Strengths

They also began to divide the content of the work and to share aspects of the job (typing, bookeeping, and reception coverage) in terms of their individual strengths. One of them has an accounting background, the other prefers not to deal with numbers but has more extensive legal experience. Consequently, some projects are followed through by one person and others are done in collaboration.

Both secretaries value the flexibility that their shared arrangement gives ~~them and~~ their employer. They work overtime during peak periods and can handle heavy work loads without placing an extraordinary burden on either one. The noon hour is covered regularly, because it is part of one of the women's half day. When a family emergency or illness occurs the office routine is not disturbed because they fill in for each other.

Flexibility

The second example of a job which is shared is the Director of Enablers, Program for the Physically Limited at De Anza Junior College. The man and woman who share this job met while both were doing volunteer work with the Committee on Architectural Barriers to Handicapped Workers. Both of them are physically limited. Although the director's job had been held by a single person working full-time, they convinced the college interview committee of the merit of their sharing the job. Although the handicaps of both applicants are severe enough to confine them to wheelchairs and to make it difficult to work full-time, the fact that they are disabled makes them ideal counselors and success models for the physically limited students in their program. One of them had strong public relations abilities and the other had expertise in administration and counseling.

Program
Director

Appropriate for
Handicapped

Program Success

Due to these combined skills, the program grew tremendously in one year. The enrollment increased from 62 to 750, and the staff which they supervise grew from 1 secretary to 20 persons, including clerical workers, van drivers, and therapeutic consultants. The growth of program and staff size in so short a time resulted in an organizational crisis which was solved by one of the sharers taking full responsibility for staff coordination while the other concentrated on counseling. They also increased the regular hours that they both work from 20 to 30. If the program continues to grow, another "sharer" may be brought in to re-structure the job once again.

6. EXERCISE 1 - JOB SHARING

1. Think of three kinds of people you know who might be interested in sharing a job. List the reasons for their interest.

2. Can "responsible positions" be shared? Make a case for a positive answer.

III. HELPING PEOPLE HELP THEMSELVES

I. RATIONALE--PEOPLE AS CHANGE AGENTS

One of the basic tenets of the approach to job restructuring which is outlined in this module is that the people who can most effectively create this new mode of working are those who want to do it themselves.

People as Change Agents

There are many people who would like to work less than full-time--who might even like to share a job. Quite a few of them, however, do not feel strongly enough about it to take on the task of "selling" the idea to an employer. Others have enough pressing reasons to work part-time so that they are willing to assume the role of social change agent. Understanding that what they are seeking is a new way of working, not yet accepted by many employers, they arm themselves with reasons and facts with which they hope to convince a current or prospective boss. Those who successfully re-structure a job then become role models for others. As the number of job-sharers increase, the process of change grows easier.

Importance of Role Models

It would be difficult to over estimate the importance of those pioneers who become role models for the rest of us. Those who are already sharing jobs provide:

- information on how they did it
- the kind of support that comes from feeling that "If someone else did it, so can I."
- resources on how to make it work; and
- examples to point to when employers feel that job-sharing is not feasible.

How an Organization Can Help

An organization which supports the need for more permanent part-time employment opportunities can be helpful to the individual job-seeker in a number of ways. It can:

-be supportive of their need for change--be a balance to the "Why can't you do things the way other people do them?" argument;

-develop information resources on where there are other people working this way; what are the advantages to employers; and means of dealing with problem areas.

-provide a means for matching up with other people who want to share a job; and

-offer training in the techniques that have helped other people re-structure a job.

2. HOW TO LET PEOPLE KNOW ABOUT YOUR PROGRAM

Publicity is important for the success of your project. There are two main ways of letting people know about what you are doing--word of mouth and the media.

Word of Mouth

Word of mouth can be very effective. Since job sharing is a new idea, it is easiest for an individual to understand and support the concept if they learn about it from a friend, fellow worker, or counselor. You should inform people who are counseling or working with the people you wish to reach about your program. Many community service organizations are effective at telling people about job sharing. Special interest groups which focus on women, the physically handicapped, single parents, or employment and training should be contacted and visited. Whenever possible, give talks to meetings of professional associations, community groups, and service clubs, whomever will listen. Even if no one is immediately interested in your services, such talks bear fruit at a later date.

Media

Media coverage is the second major approach. The goal is to have people hear about job sharing as often as possible. One public relations person said that an average individual has to hear or see information about an event three times before he/she will decide to attend. Therefore, try all the avenues open to you.

Radio and Television

Substantial radio and television coverage can be attained at no cost due to the FCC requirement that stations give a percentage of their air time to community programming. Radios do regular public service announcements and often have community talk shows. Most television stations have community bulletin board programs with short announcements, and longer community programming time. Contact local stations for information on how to get your information on the air.

Newspapers

Newspapers will print announcements of local meetings and events, and are often willing to do at least one feature on job sharing, especially if you have some people sharing who they can interview. Newspaper ads in the employment section are also useful in getting people interested in job sharing.

Newsletters

Many community organizations have newsletters which they send to their members. They will often put information in their calendar of events or, better, accept an article about your project to print.

It is helpful to have introductory meetings set up on a regular basis so that the time can be announced through the media. Then your press release will be correct no matter when it is printed. Meeting deadlines on a variety of daily, weekly, and monthly newspapers can be tricky.

3. INTRODUCTORY MEETINGS--WHY YOU NEED THEM

An information meeting, as a first contact with potential sharers, is very important before people begin a job sharing workshop. Its purpose is three fold:

Purpose

-to explain what job sharing is and what the goals of your project are;

-to clarify expectations about the project and discourage people who are interested in work patterns other than permanent part-time or sharing; and

-to handle bureaucratic details such as filling out forms and signing up for future workshops.

Informal Information Exchange

In general, an information meeting should be conducted as a casual group discussion. Begin by describing what job sharing is and how the project came into being, and then ask each person around the table to tell about themselves and why they are interested in job sharing. Some people come to the information meetings because they are looking for a full-time job and are willing to consider part-time as a stop gap measure. People who prefer full-time should be discouraged from continuing with a project. They are likely to be interested in developing a shared job into a full-time job for themselves which can lead to competition between the sharers, and create a bad environment for sharing in a company.

Clarify Expectations

In the course of the information meetings, the staff can clarify what the project plans to accomplish, what the potential sharers can expect from the project staff, and what the staff expects of the sharers. It should be emphasized that the staff will assist sharers in finding positions, but they do not guarantee placement. In return, the potential sharers commit themselves to participating in two workshops sessions to learn how to most effectively convince employers to try job sharing. Since people applying to companies in teams are critical agents in spreading the word about job sharing, potential sharers should be equipped with well-researched background information.

Information Sheet

An information sheet about each person can also be completed at the meeting for the project files. These are important later when the staff matches people and jobs. It is helpful to get as much information as possible on the skills and experience of each person to help in the matching.

4. DIFFERENCES BETWEEN WORKING WITH PEOPLE INDIVIDUALLY AND IN GROUPS

There are definite differences between working with people individually and in groups. However, whether you are working with two people or twenty, the basic principles and approach remain the same and so do the needs of the individuals involved. The members of the group need all of the services already mentioned in connection with the individual. Working with people in a group, however, has a number of advantages:

Advantages of a Group

- it gives people a chance to role play--to practice some of the situations they can expect to encounter while talking with employers as well as to practice "pairing up" with someone else;
- they meet other people who are interested in creating the same kind of new option, which gives them an increased sense of support; and
- the group provides an opportunity to meet possible partners.

A group workshop is an important tool for helping people help themselves. The need for individual help and counsel is not diminished by using a training workshop, however, and some people will need more personal help than others. For instance, the difficulty that men encounter trying to re-structure their jobs is often much greater than for women. It is acknowledged by society that women often have dual roles and therefore need part-time work more than men. Also, women are not generally viewed as the head of household. Because of this, special counseling or the creation of a men's support group might be considered.

Depending on the make-up of your community, there may be other special groups of clients for whom your program may wish to develop information or support functions in order to help them succeed.

5. WORKSHOP

Workshop Outline

Session I (2 hours)

1. Introduction of members, brief discussion of their individual work backgrounds, reason for interest in job sharing
2. Practice in pairing
3. Inventory of strengths/skills
4. Skills resume
5. Creation of fantasy job

Session II (2 hours)

1. Cover letters
2. Discussion of employer attitudes
3. Mock interviews
4. Project back-up for job seekers

One Model for a Workshop

The information that the New Ways to Work staff incorporated into a workshop grew out of the experiences of people who had successfully re-structured a job and the information that New Ways to Work staff had compiled because of its interest in furthering opportunities for permanent part-time work and job sharing.

One of the major aims of the workshop is to take prospective job sharers through the process of finding a partner and applying for a shared job. The workshop members also acquire factual knowledge about job sharing and are exposed to employers typical concerns such as about fringe benefits, organization, and communication problems. Copies of the materials distributed at the workshop are included at the end of this section.

First Session

The workshop is organized into two sessions, each two hours long. The first session begins with each member telling the group why he or she is interested in job sharing and briefly outlining past work experience and skill areas.

Hypothetical Pairing

After this getting acquainted period, the members pair up on the basis of potential common vocational interest or background. They may pair up through their own choice or with the assistance of the workshop leaders. Depending on the chance make-up of the group some of the pairs will be likely combinations, such as two librarians or two administrators; some will be less likely, such as an engineer and a computer programmer; and some will be very far-fetched, like a botanist and a secretary.

Inventory of Skills and Strengths

After the pairs are selected the members are asked to write down five of their personal skills and five strengths. When this is done, they are asked to exchange lists with their temporary partners and to discuss them. This exercise has several purposes:

- The lists serve as basis for each person's skills oriented resume.* This type of resume is designed to cut across limitations of a vocational-area, chronological approach, and to produce a focused, action-word resume which is appealing to an employer;

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*This is basically the resume set forth in Go Hire Yourself an Employer, By Richard H. Irish, and in What Color Is Your Parachute, by Richard N. Bolles.

- It initiates communication between the members of the pairs;
- It gives the individuals a chance to re-think the similarities and differences between the meanings of the words "skills" and "strengths";
- It provides each person with an opportunity to give and to get real feedback on his/her view of their skills and strengths.

Skills Resume

When the members of the group have been working on these skill lists for a short time, the workshop leaders pass out copies of sample skills resumes and briefly discuss the advantages of such a resume approach. A skills resume is one which describes the experience and skills of a person rather than the chronological listing of positions held in the traditional resume.

Fantasy Job

The leaders then ask the practice pairs to make-up a "fantasy job" for which they could apply as a team. This exercise will be easy for some pairs and very difficult for others, depending on several factors:

- commonality of background, objectives, etc.;
- willingness of the individuals to think broadly about their own work potentialities and objectives; and
- ability to visualize themselves as part of a team in which the other person's skills, preferences, and objectives are just as important as their own

In general, this exercise has the effect of broadening the individual's perspectives on the world of work, and lending some insight into their own attitudes toward sharing.

Individual Attention

The workshop leaders spend some time with each pair, encouraging them to be imaginative in their approach to sharing and helping them to assess their own attitudes and feelings which arise out of this discussion process. Usually, there is a great variety of attitudes and pair-dynamics to be dealt with. Some pairs easily develop a fantasy job and find complementary skills and objectives with each other. Others experience a sense of competition and find ways to work through the competitiveness toward cooperation, while others bog down when a sense of competition arises. Many find that they cannot think productively about any job outside of their normal vocational orientation, while others become excited about new vocational prospects they find. Some pairs lapse into sharing feelings of pessisism about the state of the job market in their particular field, while some find that sharing renews their optimism about finding work. Later on in the workshop, the members are given a chance to discuss with the group the experiences they had in the process of developing their fantasy job.

Variety of Reactions

Outcome of Pairing

What do people dream up when they are asked to fantasize?

-Genrally, about half the pairs discuss various possibilities for traditional jobs, speculating on what level of job they could find, and what level or variation of the job would be best suited to sharing;

-About one third of the pairs find common interest in a particular traditional job and spend the workshop time working out the details of who it could be shared;

- The remainder spend their time designing shared jobs which do not fit traditional job forms, such as various kind of consultant work, entreprenurial ventures, and new service agencies.

Almost all of the pairs spend some time discussing job search experiences they have had in the past.

Joint Cover Letter

Once the pairs have evaluated each others skills and agreed on a fantasy job, they are asked to write a joint cover letter desinged to accompany the individual's resumes. The purpose of the letter is to:

- inform the employer that the pair is applying as a team; and
- make a start at selling the idea of job sharing to the employer for the particular job in question.

Examples of strong cover letters are given to the members of the group and the pairs are asked to work on their own hypothetical cover letters in preparation for the second session of the workshop.

Second Session

Review Cover Letter

The second session begins with a general discussion of the joint cover letters. Members discuss problems thay had in composing the letter, or discoveries they made about the concept of job sharing in the process of writing the letter, such as the importance of selling the pair's commitment to being team members and sharing all aspects of the job.

Employer Attitudes and Fringe Benefits

After the cover letters have been discussed, the workshop leaders pass out information sheets on fringe benefit coverage and employer concerns. They initiate discussion on employer attitudes and ways to negotiate fringe benefits for permanent part-time workers. The advantages of proration of benefits is stressed as well as possibilities of splitting of benefits to suit individual needs.

Mock Interviews

The bulk of the second session is spent in conducting mock interviews with employers. Some group members and the workshop leaders form a hypothetical search committee and interview one or two pairs for the fantasy jobs which the pairs have designed. All members are given a sheet of questions which an employer might ask. The interviewing process is generally designed to provide a view of employers' concerns about job sharing and to raise as many difficult questions as possible. The interviewees receive feedback about how effective they are as job candidates and potential job sharers. There then is a discussion of general interviewing techniques and of employers' attitudes.

Closing the Workshop

At the end of the second session, the workshop leaders describe the resources which are available to persons who have completed the workshops, including the talent bank which can be used to find partners with particular vocational interests, and the job listings which should be consulted to find openings with companies who are amenable to job sharing. Workshop members are encouraged to return regularly to consult the resources. The leaders restate the project's commitment to helping the potential sharers find partners and jobs. They stress again the hope that these job-seekers will facilitate change in the process of actively seeking shared job opportunities.

Following are copies of the materials which are distributed at the workshop:

- -Sample Employer Questions
- -Sample Skills Resume
- -Sample Cover Letter
- -Paper Describing Job Sharing and the Cost of Fringe Benefits

WORKSHOP MATERIALS: SAMPLE EMPLOYER QUESTIONS

Employers could be expected to ask the following questions about job sharing:

1. What are the advantages of job sharing over single-person jobs?
2. What is the difference between job sharing and part-time employment?
3. Who can I look to as the person responsible for the work being done?
4. How would you work out sharing responsibility?
5. How would you arrange your hours?
6. How would you cover staff meetings?
7. Have the two of you worked together before? Can you get along under shared pressure?
8. How am I going to supervise you without making my job more complicated?
9. How are you going to relate to full-time workers?
10. How are you going to provide service as consistently as a single person can?
11. How are you going to deal effectively with our customers?
12. What kinds of benefits do you expect?
13. What about vacations?
14. Where has job sharing been tried, and how is it working?
15. What are we going to do if one of you quits?
16. How are we going to get both of you properly trained and broken in?
17. Why don't you want to work full time?
18. How am I going to give you pay raises?
19. How can I promote one or both of you?
20. How can I fire you?

WORKSHOP MATERIALS: SAMPLE SKILLS RESUME

Areas of Expertise

Writing/
Technical Editing

*Edited mathematical equations for civil engineering textbook.

*Edited articles appearing in Review of Scientific Instruments and Research/Development Magazine.

*Assisted in editing instruction manuals for military aircraft pilots.

*Instructed and evaluated groups in expository writing.

*Developed curriculum and wrote materials for math-reading projects.

*Wrote project reports for federally funded project.

Administration/
Management

*Supervised staff in preparation of civil engineering research data for project reports.

*Organized and administered federally funded math-reading projects and prepared evaluation materials and reports, supervised full-time aide.

*Organized and implmented instructional program in math and language arts.

Analysis

*Designed goals and evaluation tools for instructional programs.

*Developed guidelines and monitoring devices for math-reading project.

*Analyzed evaluation results on instructional materials as basis for development of subsequent programs.

Cross-Cultural
Relations

*Conducted instructional programs in black community and in mixed Mexican-white community.

*Spoke to groups of black parents and mixed audience of white and black and Mexican and white.

*Communicated effectively with black and Mexican parents in solving specific problems.

*Worked effectively with cross-cultural staffs.

Summary of Education

Work Experience

Job Objective: A Position involving skills in medical care, communication and innovative programs for the aged.

SUMMARY OF EXPERIENCE

Staff Nursing - Stanford Univ. Medical Center, Palo Alto
Mt. Zion Hospital, San Francisco
Mt. Sinai Hospital, New York City

Emergency Health Care - Camp Unalayee, Trinity Alps

Community Case Work- Chinatown Neighborhood Center, S.F.

Office Management - Ear, Nose & Throat Specialist, S.F.

Chronic Care - Mt. Sinai Hosp. Polio Center, NYC

Social Organization - Cong. Kol Emeth, Palo Alto

AREAS OF EFFECTIVENESS

Medical - 20 yrs. experience, wide range - from Intensive Care, to orthopedic and geriatric rehabilitation.
- extensive work with hard of hearing and audiological testing.
- initiated program for hearing loss prevention

Social - organized and promoted religious oriented groups, ages ranging from seniors to youth, providing stimulating and creative programs.
- initiated inter-community program for cultural exchanges.

Communications
- Funding chairman for community camp
- Office management involving patients, hospital staff, and office personnel.
- Speaker and workshop leader at regional women's conference.

EDUCATION

Mt. Sinai Hospital, School of Nursing - New York City:
Registered Nurse Degree

WORKSHOP MATERIALS : SAMPLE COVER LETTER

Dear "Lucky Employer-to-be",

We are seeking a single position which combines both coordinator and health skills. Upon hearing of the position of program director for the new Senior Day Care Center, it occurred to us that our skills may be complimentary in filling this position.

We have a variety of skills to offer; volunterr coordination, staff supervision, experience in working with the social and physical problems of the aged, knowledge of both volunteer and professional resources, trained observation of health care needs and experience coping with medical care crises.

We feel that our combined knowledge and experience offer a unique and wide-range of expertise that could not be fulfilled by one individual. We hope that in this way we could provide better all-around care to the seniors enrolled in you day care program. Statistical studies of shared jobs have shown that each member of the team has 30% of the efficiency and output of one full-time employee. We believe you would gain more than one professional interms of time, experience, understanding, freshness and quality on the job. The benefits to us, are that we both get involvement in meaningful work and the leisure time we desire.

We are willing to work out our time division according to the functional needs of the position. If there is any problem with social security or employee benefits, we have undergone job-sharing training and have knowledge of a variety of ways these problems can be solved with no additional expense or inconvenience to the employer. We would be happy to work this out with you.

We enclose our resumes and hope that we can interest you in this creative endeavor.

Sincerely,

"Lucky Job Sharer"

SHARED JOB PROJECT OF NEW WAYS TO WORK

JOB SHARING AND THE COST OF FRINGE BENEFITS

"What will I do about fringe benefits?" This is often the initial response we hear from employers when they are asked to consider allowing two people to share one job.

It is important to extend benefits to permanent part-time employees in order to encourage their personal identification as full members of the company's community. In order that this not mean an inequitable expense for the employer, we advocate the proration of fringe benefits: that is, the employer pays half the amount for each half time job sharer that he would pay for a full-time employee. The employees can than pay the additional amount for full coverage, or not, as their need demands. The following outline of specific costs and offsets shows how prorating would work.

The general categories of benefits are: (1) those which the employer pays for on a per capita basis and (2) those paid for as a percent of payroll or individual salary. Head count benefits will cost the employer more, usually, when two people are hired instead of one. Payroll or salary based benefits will not cost more for two people.

PER CAPITA BENEFITS

Social Security contributions (required by law) will cost an employer extra only if the combined salaries of two job sharers exceeds $15,300 per year. Between $15,300 and $30,600, the employer must pay 5.85% of the total. For example, at $20,000 combined salary, an employer would pay $274.95 additional per year. The maximum extra cost would be $893.05 at a combined salary of $30,600.

State and Federal Unemployment contributions work similarly except that the expense increases above combined salaries of $4,200 per year, and reaches maximim at a combined salary of $8,400 per year. However, since percentage charges are so small, the maximim extra costs to employers are $113.40 per year for state, and $21.00 per year for federal insurance.

Medical insurance can be handled by having the employer pay a percentage of the amount he pays toward a full-time employee's coverage. The job sharers then have the option of paying the extra expense if they would like the coverage, or refraining if they do not wish to be included in it (this, of course, saves the employer his share as well).

BENEFITS BASED ON PAYROLL OR PERCENT OF SALARY

Workman's Compensation premiums are usually paid by the employer as a percent of payroll, and therefore cost no more when two employees are hired instead of one. Some employers are self-insured for Workman's Compensation (Stanford University, for example); but risks are no greater with two employees sharing a job, because the number of person-hours spent on the job would be the same.

Many other benefits, such as life insurance, travel insurance, retirement plans and profit sharing are based on the employees' earnings and can therefore be automatically prorated for part-time employees.

Vacation, sick leave, etc., which anounts to salary paid for time not worked is the most easily prorated category of benefits. Normally the half time employee would be entitled to half the vacation time provided for full-time workers, etc.

HOW BENEFITS ARE CURRENTLY BEING HANDLED FOR PERMANENT PART-TIME EMPLOYEES

Several employers in the San Francisco Peninsula area are extending prorated benefits to their permanent part-time employees. As we have said, we believe this to be the best model because it is the most equitable and practical. (Stanford University and SLAC are examples.)

Some other employers (Lockheed, Hewlett Packard) have modified benefits for permanent part-time employees, e.g. Lockheed's medical plan does not cover office visits for dependants of part-time employees, and H. P's Medical Plan provides no Long Term Disability for part-time employees. This kind of flexible approach can be used to tailor benefits to the circumstances of the individuals involved.

Some currently extend full benefits to part-time employees (City of Palo Alto, Ampex Corp., Santa Clara Counry, S. R. I., American Institute for Research). This approach is generous but not ideal because the extra costs may discourage wider use of job sharing in the future. However, in time it may become apparent that the benefits to employers of job sharing -- increased productivity, flexibility and access to jobs -- will out weigh any additional administrative or benefits/overhead costs.

6. FUNCTION OF THE TALENT BANK

Content and Use

At the end of the workshops, each person fills out a card with his/her background, interests, and skills for the Talent Bank. The Talent Bank is a card file divided into vocational categories. It is available for use by both the staff and individuals seeking partners for sharing. The Bank is also a resource for employers who are looking for a partner to complement a full-time worker wishing to reduce his/her hours.

Talent Bank Card

New Ways to Work Talent Bank cards look like this:

Name:

Address:

Work wanted:

Related Experience, skills and/or education

Date:
Phone:
Age:
Interviewer's name:

Major Vocational Interest Area

Secondary Vocational Interest Area

Only the most basic information is given on the card. More detailed information is contained on the information sheets which are filled out at the introductory meeting and on the resumes which individuals bring to or create for the workshops.

7. PROBLEMS ENCOUNTERED AND HOW TO OVERCOME THEM

What are the problems you can expect to encounter and how can you best overcome them? Following are four possible problems and how to deal with them.

1. Meeting the Needs of Different Client Groups. Since no community is homogeneous, the people who will be seeking help in re-structuring a job will come to you with very different skills and needs. A good job-sharing project needs to be flexible enough to emphasize or expand parts of the program that will help the particular client group that you are serving at the time.

Adapt to Client Needs

For example, the counseling needs of a man who has worked for many years at a profession that he likes but who no longer wishes to work full-time, will be very different from those of a re-entry woman who has been out of the job market for a long time. The man will have less difficulty with the overall job search, but will need a great deal of support to counter the resistance that men face to their working part-time. The woman, on the other hand, may need considerable help in evaluating her skills and the experiences she had while being a homemaker, while at the same time receiving understanding for her desire for part-time work

Often Clients Must Develop their Own Job

2. Shortage of Part-Time Job Listings. Some of the people who come to your project will come with the expectation that your job developers have numerous listings of shared jobs to be filled. They will be disappointed to

discover that this is not the case. The process of job development will be dealt with in detail in next section. It is important to keep in mind the complex interaction between employers and seekers of shared jobs. Those clients who are already employed and who are seeking to share their jobs are part of your job development efforts; the teams who go out and interview for regular full-time listings are part of that same process. Although you may start with only full-time listings, as the concept becomes better known the number of employers looking for job sharers will increase. The need for active involvement discourages some people for a while, but it will excite and challenge others.

Clients Seek out Partners

3. Difficulties in Pairing People. Having sufficient numbers of people in your Talent Bank is a problem which decreases as the numbers of job seekers in your program increases. People should also be encouraged to seek partners from their friends and associates. A question which often arises about pairing is "Should I consider pairing with more than one person? Would that be fair?" The answer is, of course, "Yes" unless, there is a compelling reason to share only with a particular person, such as if a husband and wife with the same professional background and goals wish to share a single position. Just as it is generally better to apply for a number of jobs, rather than applying for one at a time, it is better to think in terms of various combinations of people and backgrounds rather than a single combination.

Importance of Emotional Support

4. Motivating People When they get Discouraged. Job hunting is a debilitating process. It is very difficult not to feel that you have been turned down as a person, rather than as an applicant, when you do not get a job for which you have applied. When a person is not only seeking work, but is also trying to sell an employer on the concept of sharing a job, a great deal of energy and ego strength is necessary. It is no wonder that people get discouraged. One of the functions of a job sharing project should be to provide a place where clients can come to get support, new slants on how to present the concept, and new job leads. It is crucial that the project staff have a strong commitment to finding jobs and referring teams to them. Callbacks and a pep talk from time to time brings the awareness that there are other people working on the same changes that they are. This type of support can be very helpful. Even with this kind of help, however, some may decide to go back to looking for a full-time job. They should be reminded that one way to re-structure a job is to work in a full-time position until your worth is known and then begin to seek ways to share it. Others may decide to stop job hunting all together for a while. They should be encouraged to come back when they feel revived.

8. EXERCISE 2 - PAIRING

1. Number off — one, two — around the circle, to form pairs.

2. Each person list five areas of competence.

____

____

____

____

____

3. Share your list with your partner.

4. After looking at the lists, either dream up a fantasy job for which your combined skills would qualify you or use a job which one of you has held and discuss how you would share it.

5. List five advantages of sharing this job.

____

____

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____

____

IV. LET'S GO OUT IN THE REAL WORLD — STRATEGY FOR EMPLOYER CONTACT

1. WHOM DO YOU GO TO FIRST?

Job sharing can not be accomplished without responsive employers. Hence, an agency that is interested in fostering job-sharing must put significant effort into contacting and educating employers in its area.

Develop a Strategy

Employer outreach, if it is to be effective in generating shared jobs, should be based upon a systematic plan of action. It is important to be aware of national employment issues, especially as they are represented in the local area. For example, in some areas there is a high ratio of older workers, while other areas have more young families and entry level workers. Also, it is important to identify the major employment fields in a region, such as electronics, and be prepared to expend some energy on them. At the same time, lists of successful job-sharing situations in your community should be developed to use as examples when talking with employers.

Identify Likely firms

Decisions about which employers to contact should be based upon the size of organizations and an assessment of the liklihood of a positive response to job sharing. Lists of major employers in an area can be developed from contact with the Chamber of Commerce, professional associations, and state employment offices. After a list has been compiled, it is a good idea to start contacting first those who have had some experience with job sharing or other forms of flexible employment.

The Process

Ideally a sequence should be developed which will enable the agency to contact different types of employers and get a sense of which are the most responsive. Public employers such as municipal governments and school districts should be contacted early since they are often quite open to flexible modes of employment. It is important to recognize that the development of shared jobs is a slow process and a number of irons should be kept in the fire. The process takes place at a number of levels within an organization (e.g. administrative, employee relations, affirmative action office, and employees who want this option for themselves) and you can expect to be talking with a number of different people over a period of time. Records should be kept of each contact with an organization in order to facilitate subsequent interaction.

2. TALKING WITH EMPLOYERS

Introducing the Concept

Most employers have never heard of "job sharing" although increasing numbers are familiar with flexible approaches to scheduling people's time. Your first task is to explain the concept. Then you can get down to selling the idea to them. Generally, it is helpful to visit the employer with a team of two or three individuals. This approach facilitates the coverage of a variety of topics and experimentation with various styles of presenting ideas.

Inside Help

If friends or acquaintances work in a particular organization, sometimes it is a good idea to get in touch with them and ask their advice concerning the best way to initiate contact with their employer. Obviously some interaction will be necessary with personnel offices but, from our experience, things move more rapidly if you can be referred to them by someone in the administrative ranks of an organization.

Employer Resistance

In the initial contact with an organization, you must sell the idea of job sharing to the people with whom you talk. In order to do this you must be aware that this kind of change appears at first to be an inconvenience to most employers. There are a number of reasons why employers are reluctant to consider job sharing:

-the normal reluctance to change an existing process;

-the myth of the lazy or uncommitted part-time worker;

-the lack of statistical data to support claims about the benefits of job sharing;

- lack of real motivation on the part of many employers to make this kind of change since it is difficult for some to identify with the personal advantages it offers;
- feeling that industry should not be responsible for social change and that someone else should do it.

Stress Advantages

It is up to you, therefore, to convince employers of the professional as well as the personal advantages of job sharing. Some of the points you may want to touch on when talking with them are:

- the problems of older workers;
- the need for alternatives to layoff;
- ways job sharing can aid affirmative action objectives;
- the changing success ethic of many young professionals (desire for flexibility rather than high salaries).

Leave Written Materials

When visiting employers, it is very helpful to have materials available which outline issues related to job sharing. Such materials should cover the major points of your presentation and also go into more detail on some of the technical issues such as employee benefits. Examples of such materials include: information on the benefits job sharing has for employers, information on fringe benefit prorating, and a list of local examples of re-structured jobs. Employers should be encouraged to read the material carefully and contact you later with any questions.

Develop a Continuing Relationship

Obviously, selling the concept of job sharing takes time and you can not expect a major breakthrough with one visit. One of your objectives should be to answer all of the initial questions raised by the employer and to establish the expectation of continued contact. Do not push too fast or pressure employers into commitments during the first visit. Rather, spell out some intermediate steps which you would like to encourage the employer to work toward. One such step is to encourage an organization to allow teams of job sharers (two people) to interview for their full-time listings. Another step is to encourage the employer to begin a process by which their full-time employees who want to work less time can re-structure their jobs by sharing them with another person.

Make these suggestions and then attempt to conclude the first meeting in a manner which will set the stage for continued interaction. Ideally, try to set a date for a follow up meeting or at least identify some activities which the employer will pursue at a later time, such as meeting with the personnel director to start moving toward shared jobs in his organization. Try to schedule follow-up visits at regular intervals to encourage the evolution of an organization's job sharing program and establish yourselves as consultants to the process.

Talking to the Employer

DON'T

Don't expect to change employer attitudes with one visit. Do aim for continued contact.

Don't attempt to get X number of jobs (or 10%) indentified as "to be shared". This just puts full-time people and unions against you.

DO

Affirm the concept of "worker option". Keep asking the question "Why should people have to work full-time if they don't need or want to?"

Remember that you are "selling" the idea. Be positive.

3. COORDINATING JOB DEVELOPMENT WITH PEOPLE WHO HAVE TAKEN THE WORKSHOP

Many Levels of Employer Contact

The most effective way of getting an organization to offer the option of job sharing internally – to its employees, and externally – to its applicants, is to have the idea of job sharing introduced at many levels in the company--job developers talking to management, people applying in pairs to personnel, and employees within the company showing interest in changing from full time to part time.

Jobs Should Match Job Seekers

Therefore, the job development staff should focus on companies that have positions available in those areas in which people who have attended the workshops are interested. Obviously, there is little sense concentrating on electronics firms, if all the people interested in sharing are social workers.

It is important that the staff working on job development with employers keep in close contact with the staff running the workshops so that they are kept current on the skills and interests of the people who have gone through workshops and are available for sharing. It is useful for the job developers to have specific pairs in mind for positions in a company when they visit the organization, particularly on follow up visits. As soon as a company indicates willingness to consider interviewing pairs for full-time positions, the project staff should urge a pair to apply. It is also important to have an active Talent Bank so you can assure the employer of help in pairing up current employees who want to reduce their hours of employment.

4. PROBLEMS ENCOUNTERED IN JOB DEVELOPMENT

Following are some of the problems areas you will encounter in job development.

1. Myths about Part-time Workers. Many, if not most, employers subscribe to negative stereotypes about part-time workers. They feel that part-time employees lack commitment, ambition, and responsibility, and are only to be used as "casual" or "temporary" members of the work force. Part of the reason for this is a narrow definition of work. Many kinds of labor, for instance, housework, voluntary community service, or draft work, are not considered part of a person's "work". Another is the nature of temporary part-time work which, traditionally, has had low pay, no fringe benefits and no possibilities for upward mobility. The information that is available about the work habits of permanent part-time or shared job employees refutes this negative stereotype and indicates higher motivation, less absenteeism and turnover, and more productivity as the results of people being able to work in this new, flexible manner.

Stress Positive

2. Concerns about the Added Cost of Fringe Benefits. One of the employers first questions is usually about how he would handle fringe benefits. For this reason, the workshop spends quite a bit of time explaining to job-seekers how benefits can be prorated. (The paper which the New Ways to Work staff developed on fringe benefits is included in the workshop section of the module.) Since prorating can minimize the cost of two people receiving

Supply Information

benefits for one full-time job, we are sure that in time, when more information is available on permanent part-time workers, this concern will be eliminated.

Shared
Responsibility

3. Accountability. "If something goes wrong, whom do I blame?" Since both people share the postion, both people share the responsibility. If an employer can begin to think of the sharers as a team rather than two separate individuals who have nothing to do with each other, this problem seems to diminish. In actual fact, it has not emerged as a difficulty.

Good
Possibilities

4. Civil Service Criteria. The various local, state, and federal hiring formulas for civil servants can be a real barrier to this kind of re-structuring. Civil service is an area, however, where a great deal of interest has emerged from employees who wish to re-structure their jobs. There is legislation pending at the federal and state levels (See Historical Highlights in Section I) and several localities have negotiated changes in their county or city contracts which include means to split a position if the employee so decides. In addition, the National League of Cities has taken a positive stance about job-sharing. If your community has a number of jobs in civil service, it is worth the effort to begin the process of changing the code so that permanent part-time and job sharing workers can be employed.

Worker Option

5. Union Attitudes about "Shared Employment" or "Share the Work" Movements. Many union members are concerned that job sharing might be used to reduce the work force rather than expand it by employers assuming that two people can produce more than one and exploiting this situation by demanding sufficient overtime so that the sharers are in effect working almost full-time but being paid half-time. They also fear that it could be used as a means to eliminate over-time pay. Because these concerns are legitimate, it is very important to structure job sharing opportunities so that they constitute a worker option. Many people need and want full-time work. They should not be pressured into sharing or working part-time. Others, however, find full-time work inhibits their ability to fulfill necessary responsibilities outside of their work lives. They should have a choice such as sharing their job so that they have an alternative to full-time work. Most unions would support this need and some have already negotiated the option for their members.

6. Union Contracts. If an existing union contract prohibits the use of permanant part-time workers then there is not much that can be done until contract negotiations begin again.

5. EXERCISE 3 - IDENTIFYING EMPLOYERS

For this exercise people should break into small groups of three or four. They will work on the questions as a small group and then come back into the whole group to discuss the answers.

1. Identify three employment problems in your area.

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2. List 10 of the major employers in your region. (Not just the private ones.)

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3. List 5 people you know who could give you names of people to contact in local companies.

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6. EXERCISE 4 - ROLE PLAYING INTERVIEW

Divide the circle in half. One half will take the role of employers. The other half will be job developers. Each half will gather in groups of 3 or 4 on their own side of the room (employers on the right, job developers on the left).

The task of the job developers will be to:

- -Think of arguments which will sell the employers on the concepts of job-sharing.
- -Set specific changes for which they will ask the employers.
- -Decide on methods for continued communication with the employer or someone else in his firm.

The task of the employer group will be to:

- -Draw up a list of concerns that they have about job-sharing.

After 10 minutes consultation time, the group will reconvene and two volunteer "job developers" will call upon and talk to two volunteer "employers".

After listening to the mock interview the group will respond with their reactions and a second interview will be conducted which will try to incorporate into its arguments and strategies what was learned from the first group.

V. INFORMATION RESOURCES

Information Resources--Why you Need Them.

As we have stressed throughout this module, we believe that successful social change depends on:

-identifying a real need;

-educating others to the existence of that need; and

-constructing bridges between one person's need and another's. In this case, showing the employer how the option of job sharing can help him solve some of his problems.

Use of Information

Your information resources are your tools for educating both employers and employees or job seekers who wish to re-structure a job. They can help you (1) document changing employment patterns; (2) legitimize your claims for job re-structuring and; (3) provide a resource for individuals or other organizations working to create an alternative to the 40 hour work week.

Where Do You Find Information on Job Sharing?

Sources of Job Sharing Information

-Media articles. Your local newspaper is good place to start. Other sources would include The Wall Steet Journal, New York Times, and various business journals, such as Business Week.

-Research articles. Sometimes pertinent articles are referred to in the media stories that you have found. The library is also a good reference source; some of the headings that you might look under are Job Restructuring, Quality of Working Life, Flexible Hours, Employment, and Scheduling.

-Other organizations and individuals. Exchange information with other organizations trying to promote the same kinds of change and individuals who come to your project.

-Your own staff. As you become more knowledgeable about the particular needs of your own community, you will probably start constructing information packets and writing materials of your own which deal with local problems.

What Should Be Included?

Topics

1. Profiles of job sharers. Catalyst, Inc., in New York City has written a series of such profiles. You can obtain copies of them by writing to Catalyst, 14 East 60th Street, N.Y., N.Y. 10022. As you gather local information you will probably want to write up some of your own.
2. New articles which substantiate the benefits of permanent part-time employment or job sharing.
3. Studies of employers who have experimented with job sharing and/or flexible scheduling.
4. Copies of legislative bills whose focus is career part-time, job sharing, or flextime.
5. Any local information which you think is pertinent to the job sharing issue.

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Catalyst, 6 East 82nd St, Dept B, New York, New York 10028.

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1. Job Pairing. Two women divide one full-time job with equal responsibility for the total job. This worked well for teachers and is a good possibility for librarians.
2. Job Sharing. Two women divide one job between them with each responsible for only one-half of the workload.
3. Split-level. One position divided into two skill and pay levels; part of the time it is filled by a professional woman and part of the time by a skilled clerical.
4. Split-location. A job partly done in the office and partly at home.
5. Part-time. Working less than a full-time five day week.

6. Consultant or Specialist.
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Senator NELSON. You mentioned earlier in your statement that we identify specific employer manpower problems that can be solved and then under item 4, page 5, you state that through employer contacts shared job opportunities are uncovered or created. Is it an active part of the program to seek out an employer who is willing to have this shared jobs program?

Ms. CUNNINGHAM. Yes, it is. We find that the role of an outside agency to teach successful job sharing is essential.

Senator NELSON. And then it is an active part of your program to act as a consulting service with regard to shared jobs?

Ms. CUNNINGHAM. Right. I think the best analogy might be that we function somewhat like the employee security system.

That is, we do give assistance to employers at the same time we give assistance to the job seekers.

Senator NELSON. Are you working through the Employment Service?

Ms. CUNNINGHAM. We get some of our referrals through the Employment Service, yes, through CETA in California. The EDD is a referral source for CETA applicants or CETA eligibles.

Senator NELSON. How long has the program been ongoing?

Ms. CUNNINGHAM. The Employment Development Department, which is the name of the employment security system in California, functions as a referral mechanism for CETA eligibles. When individuals who are interested in shared jobs come to EDD, they are referred to New Ways to Work, to our project.

Senator NELSON. I was talking about your exact project. How long has that been going?

Ms. CUNNINGHAM. The CETA project was funded last September 1975.

Senator NELSON. How many people have you placed in part time or shared jobs?

Ms. CUNNINGHAM. Currently there are 40 teams who have been placed as a result of the new ways efforts, involving 80 people.

Senator NELSON. And you started last September?

Ms. CUNNINGHAM. Yes, the CETA project funding began in September. But you should realize that our previous years of experience in the area, our publicizing of the concept meant an early success for the CETA project.

Senator NELSON. Do you have any evaluation back from the employers, for example, as to how it is working?

Ms. SHUCK. We are in the process of developing that now. Through interviews with employers and, in general, the reaction has been overwhelmingly favorable.

Ms. MEIER. Two studies have actually been completed. One is by a Stanford University team on the city jobs that were developed.

The other one is the study of job sharing in the nine bay area districts schools of where principals and administrators were interviewed as to how they felt about the teams who were then sharing. There has not been sufficient time to both do and document.

Senator NELSON. I didn't see it in your statement, but perhaps it is in your supplementary material; could you submit for the record the nature of the jobs that are being shared, the variety?

Ms. Cunningham. Yes. The variety is very extensive. I have a complete list of the number of positions——

Senator Nelson. Of these 40 teams?

Ms. Cunningham. Not all of the 40 teams, but a variety of the jobs. It includes clerical, librarian, medical technologist, facilities planning engineer, as mentioned, program director of the YWCA, animal control officer, vocational counselor, school psychologist, clinical social worker, teachers, organizational developers, et cetera. The list is very extensive.

Senator Nelson. You mentioned a survey, people being interested. What was that?

Ms. Cunningham. 268 people have actually come to the project through our outreach efforts and participated in our workshops.

Senator Nelson. Is this the whole bay area?

Ms. Cunningham. This is the tri-county area: San Francisco, San Mateo, and Santa Clara counties.

Senator Nelson. Do you have any surveys to indicate the potential number of people interested in shared jobs, and the number of employers who might be interested in hiring people into those?

Ms. Cunningham. One of the difficulties of the project is we haven't had time to do a survey of the individuals, but we have received many letters and calls from people outside of our tri-county area that are interested in the share job option. As far as employers, I don't think employers are rushing to sign up. It is more a matter of hearing from individuals in their own firms or job seekers who want to share and then looking at our material and finding that it is a viable option to consider, but we do need more data on productivity.

Ms. Meier. I can only add that this is a very small beginning of a long education process, both for employees or those who want to work, as well as for employers. It is not yet legitimate to say that you want a part-time job when there aren't enough jobs. It is not yet legitimate to say you want to share a job when very few people know what it means, what the definition is and what the instances are. It is very difficult in a few months of a project to both generate the opportunities, document, and disseminate. I think what we are trying to say is that as a community-based organization we have seen the needs, we are beginning to hear from other people who also see needs in their communities. These efforts, small as they are and very grassroots, need to be supported and recognized.

Senator Nelson. It isn't a very new idea. Thirty-seven years ago a friend of mine in San Jose and I tried to get a job to share in a cannery so we could get more time to spend on the beach, but the concept was too new to be employed.

Ms. Meier. It is still new.

Senator Nelson. Thank you very much. We will hear more from you since the funds you are getting are authorized by this committee.

Ms. Cunningham. Keep it coming, Senator.

Senator Nelson. Thank you. I appreciate your taking the time to come here.

[The prepared statement of Ms. Cunningham follows:]

TESTIMONY TO SUBCOMMITTEE ON EMPLOYMENT, POVERTY AND MIGRATORY LABOR

SUBJECT: JOB SHARING PROJECT OF NEW WAYS TO WORK, PALO ALTO, CA.

Presented by Alice Cunningham, Member of the Advisory Board of New Ways to Work, Employment Training Specialist in the Department of Labor's Employment and Training Administration, Region 9.

April 8, 1976

TESTIMONY TO SUBCOMMITTEE ON EMPLOYMENT POVERTY AND MIGRATORY LABOR

Subject: Job Sharing

Senator Nelson and Members of the Committee:

I am Alice Cunningham, Employment and Training Specialist in the Department of Labor's Employment and Training Administration, Region 9, currently on loan to the Association of Bay Area Governments. I am a member of the Board of Directors of New Ways to Work of Palo Alto, California, a non-profit, community based vocational resource center. I welcome this opportunity to testify on its behalf about our CETA funded pilot project on shared jobs, because it is unique.

A shared job (or job sharing option) is a voluntary work arrangement in which two people both hold responsibility for what was formerly one full time position. They divide salary, time, and fringe benefits.

Our NWW project aims to create shared jobs by restructuring full time positions in a variety of occupations and levels in both the private and public sector in the San Francisco Bay Area.

Since job sharing is a new alternative, different from traditional part time, we need to clearly state its potential to meet projected as well as current manpower needs. The growing problem of the mismatch of available skills and available jobs is already apparent--especially as it concerns women and youth. There is an equally important pattern of increasing numbers of job seekers who take full time work for which they are "overqualified." This, in turn, "bumps" others--some into the ranks of unemployed. At the top of this chain are many college educated young people who, if given the alternative, would prefer part-time work because of the increased flexibility it afford them.

In this perspective, job sharing becomes an increasingly important option:

1. It can increase the number of people able to participate in the work force. Many more Americans are now seeking an alternative to the 40-hour work week for some period for their lives.

2. It can offer a means to pair different skill and experience levels. Women and minorities, who have been among those particularly excluded from certain job categories, can utilize job sharing as both a means of entry and also for upward mobility within an organization.

3. It can provide a mechanism to open full-time jobs by allowing those already employed to cut back to half time.

Job sharing is not a new idea; it has been developing for some years. Our project grew from the awareness of earlier successful but sporadic efforts. Two experiments were conducted in the late 60s: Catalyst, a N.Y. organization studied job sharing and part-time arrangements with teachers and social workers; HEW's Professional Executive Corps described as a "Managers Alternative to Staffing", restructured 22 jobs and hired 40 women in career part-time positions.

In the 1970s the federal and some state legislatures began to consider bills to increase opportunities for job sharing and career part time for government employees. Legislation is now pending, introduced by Senator John Tunney and Representative Yvonne Braithwaite-Burke; Maryland and Massachussetts have already passed similar bills and

California is considering new legislation. For the past three years, we, at New Ways to Work, have seen the need for work alternatives and the beginning of accessibility for change on the part of employers in our community (such as schools and city governments). These earlier efforts, together with the growing number of individual instances in different parts of the country made us realize the need for a credible project within a known community base.

We designed our CETA program to include men and women and to encourage experimentation beyond a single employer or a single profession. Our pilot project was funded in September 1975. It has two main program components:

(1) workshops which support the individual--the unemployed or working full time--who is seeking an alternative to the 40-hour work week, and

(2) job development outreach to convince the employer of the feasibility and the advantages of job sharing.

We find that the role of an outside agency, in helping to initiate this new option, is important. There is a mode for successful job sharing, and our project staff teaches individuals how to share. It also coordinates referral to potential partners and to employers and develops information resources for both job seekers and employers.

The men and women who enroll in the project workshops start by learning about other people who are already sharing jobs--what kinds of jobs are shared, how schedules can be arranged to include time for communication, and what information employers need before they can be expected to agree to it. Then they practice pairing and interviewing as a job sharing team. After workshop training, the staff files skills information about each individual in a talent bank; job seekers continue to receive job referral and staff support during their job hunt. The support consist of counseling and when necessary, follow-up with a particular employer.

Since sharing cannot be accomplished without responsive employers, we put significant effort into the job development part of our program. We discuss the advantages that job sharing has for them and we have developed written materials which answer some of their concerns. We stress as potential benefits: (1) creating alternatives for older workers, (2) job creation, (3) better means of implementing affirmative action, (4) increased productivity--especially in terms of higher energy, and reduced absenteeism and turnover, (5) increased diversity and flexibility. We review both general concerns and specifics appropriate to the particular employer.

Since September we have contacted more than 40 of the major employers in the San Francisco Bay Area. These have included electronics firms, hospitals, private manufacturers, school districts, universities, banks, and municipal governments. Most of these are currently examining the concept in relation to their own employees as well as experimenting with interviewing processes for our shared job teams (i.e. those sharers who pair up through the services of the project workshops).

We are beginning to see pairs placed (see attached list), most of them in the public sector, schools, and government, but with a tentative start in some private industry.

What kinds of people want to share a job? A preliminary project report shows that, since September, 268 people have come through the pilot project. All of them were seeking career-oriented permanent part time work and viewed job sharing as a means to this end. They included 41 men, many of whom were engineers or other technically trained professionals. They also included teachers, key punchers, social workers, and assembly workers. 22% were older workers; 39% were single parents (men as well as women); and 44% were female heads of household. Although our numbers are still small, these figures point to some of the reasons that workers are seeking alternatives to full time employment. They need time for child care, a transition period between full time employment and retirement or a means to support themselves while they pursue a non-lucrative profession.

The kinds of jobs currently being shared range from clerical and assembly work to professional positions such as that of hospital facilities engineer. One shared job was arranged because a chemist at a food processing plant wanted to return to school part time to work towards an advanced degree. She arranged to share her job with an assembly line worker, and trained the younger woman as her technician. The resulting restructured position allowed her time to return to school and enabled the newly trained technical assistant to learn a new job skill.

A hospital facilities engineer position is currently being shared by an electrical engineer (male) and a Ph.D. biologist (female). As they plan the facilities of the laboratories in a new hospital research unit, her concern is with the use of equipment after installation; his, the installation itself. Both felt strongly enough about their need for permanent part time work to seek it even though offered good full time positions. The biologist is a widow with three small children; the engineer is committed to working with a research project which cannot pay for his services.

We need much more information, but so far we have observed real benefits to the individuals who are allowed to share their jobs. Those we have interviewed cite the increased flexibility in their lives as one major improvement. No longer do they feel torn between competing responsibilities. The fact that they have someone to call on in an emergency is another benefit. In an ideal job sharing situation, a great deal of trading goes on. Illness, a sick child, the need for special appointments--these periods can be covered by trading schedules. This obviously benefits the employer as well, and probably accounts for the reduction in absenteeism and use of sick leave noted by employers.

The second major benefit is the increase in energy level that takes place as a result of fewer hours on the job. A difficulty sometimes cited is the need, initially, for additional time for communication and interaction. The people we have interviewed, however, felt that this is more than balanced by the benefits of having more time and flexiblity. Both job sharers and employers note that the sharing teams are task oriented and often spend more than 50% of their time on the job. Again, the sharers support the arrangement and point to this as an indication of their increased job satisfaction.

From the individual's standpoint the biggest problem of job sharing is the problem of living on half of a regular full time salary. A number of trends, however, make this more feasible than it would appear at first glance. The percentage of two income families has risen dramatically of late. In many instances, 1 1/2 salaries would be sufficient for the financial needs and the resulting increased flexibility would be preferred. (In cases where day care must be paid for, families can be better off if that extra expense can be avoided.) The percentage of single persons in our society has also risen. In San Francisco, 47% of the city's residents are single. Some of these are single parents who need the flexibility that sharing can provide. Others are without family responsibilities and would prefer to work fewer hours in return for the free time that this arrangement would give them. At present they must work full time or not at all. Finally, there are a growing number of young professionals seeking alternative work patterns. Many of them work at a salary range which could be shared and still provide a reasonable wage. The question of whether or not they can afford to earn only a half time salary is one which individuals should be allowed to answer themselves, from their own particular set of circumstances. The question we, in society, must ask is, Can we afford to force people to work full time when so many people are not able to work at all?

Employers who already use permanent part time workers or job sharers report favorable experience. When queried by a Stanford University study team, one public employer cited job creation, diversity, productivity, and flexibility. A recent DOL survey noted decreased production costs as a result of increased worker satisfaction. Similarly, the early Catalyst social worker experiment showed that part time workers produced 80% as much as those who worked full time.

From the employer's standpoint, the increase in flexibility means that alternatives to layoffs are possible in recession periods and that workers' time can be used more creatively in periods of growth. This has been especially important to school districts who seek ways to adjust to declining enrollment. For them, job sharing meets the needs of many teachers and also provides districts with alternatives to terminating contracts. Our NWW study of nine such districts, published in a preliminary report, is proving helpful to teachers and administrators who wish to initiate the option.

These advantages have outweighed, so far, the small direct costs such as paper work and processing. Fringe benefits can be prorated. Per capita costs for social security and unemployment benefit in some salary classifications have not yet been a major disadvantage, but will need evaluation as the job sharing option is initiated more extensively.

In addition to questions about how to pro-rate fringe benefits, employers we have worked with have initially had concerns about accountability and commitment. Since our workshops deal with these issues and teach sharers how to construct schedules, these problems have not emerged in practice. It is our experience that careful preparation of expectations and areas of responsibility are essential.

Although job sharing is still a new and relatively untried work option, our experience with workers and employers has convinced us that it merits much wider application and research. It needs recognition as a respectable option so that those who seek new permanent part time work arrangements can be allowed this possibility.

In the New Ways to Work Pilot Project we have developed a model which would enable the job sharing concept to be tested, studied, and evaluated both more intensively and extensively.

Our own project has set in motion an educational process for both workers and employers in the San Francisco community. Because this first period has had to emphasize placements (a CETA goal), we concentrated our job development in the more accessible sector of public employment. Our project should continue this emphasis but extend its tentative beginnings in the private sector. We are ready to set up a small number of sharing teams in local industry among those workers who wish to cut back work time. Then, we will be able to measure the relationship of job sharers to full time workers in terms of both productivity and job satisfaction.

Funds should be allocated to initiate projects like our own. More individuals and employers need to become knowledgeable about the job sharing option. With our program as a model and the training manual we have published as a text, it is now feasible to expand the job sharing concept on a widespread basis.

As a means of redistributing hours of work so that more people can be employed as well as creating a way for people to use their skills, their education, and their ingenuity, the employment alternative of job sharing should be supported by this Committee.

APPENDIX TO TESTIMONY

SUB-COMMITTEE ON EMPLOYMENT AND MIGRATORY LABOR

SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE

NEW WAYS TO WORK
457 Kingsley Avenue
Palo Alto, CA 94301
(415)321-9675

JOB
SHARING

NEW WAYS TO WORK
457 Kingsley Avenue
Palo Alto, CA 94301
(415) 321-9675

CHRONOLOGY OF JOB SHARING

1968 Catalyst sponsors studies of permanent part-time teachers and permanent part-time social workers.

Catalyst position paper defines terms: shared, paired, split level permanent part-time, flexible time, etc.

1970 New Time, Inc., a private placement agency, opens. They receive national publicity on the positive benefits of using part-time personnel.

1972 New Ways to Work in Palo Alto begins to give workshops on flexible scheduling, permanent part-time, job sharing.

1973 Berkeley City Council votes to allow city employees the option of sharing their jobs or working as permanent part-time workers.

Sen. Tunney and Rep. Burke introduce legislation in the Senate and the House on Flexible Hours Employment. (The bills have since been re-titled Career Part-Time Employment.)

Palo Alto Unified School District begins to allow the sharing of contracts if teachers submit a well thought out proposal.

1974 Instances of job sharing in California begin to increase and are documented:

- Director of Stanford University's ARLO program
- Director of DeAnza Junior College's program for Handicapped Students
- Naturalist, City of Palo Alto
- Director of Extended Resources Center, PAUSD
- Director of JAC program, U.S. Department of Labor.

Tunney bill comes out of committee with recommendation to pass.

City of Palo Alto decides to use job sharing to implement its affirmative action plan.

1975 Palo Alto School District offers option of part-time to teachers over 55.

Tunney bill passed by Senate, sent to House (HR. 7124)

Maryland and Massachusetts pass similar legislation.

Senator Omar Rains (Joint Committee on Legal Equality) introduces legislation in the State of California senate which would create and expand permanent part-time employment opportunities and shared jobs for state employees (SB 570).

CETA funds New Ways to Work pilot project on job sharing.

League of California Cities endorses concept of job sharing.

JOB
SHARING

NEW WAYS TO WORK
457 Kingsley Avenue
Palo Alto, CA 94301
(415)328-4974

QUESTIONS EMPLOYERS ASK ABOUT JOB SHARING

Q. Why should I try job sharing?

A. It is a positive response to the changing needs of an organization and its employees. Employers are using job sharing to:

- retain experienced personnel who wish to cut back on worktime
- increase affirmative action hiring
- increase in-house mobility
- ease scheduling during peak periods

Employers have found that job sharing brings a wider diversity of skills to a job, and can increase efficiency, particularly in jobs which are either high pressure or tedious in nature.

Data on how job sharing increases productivity is just beginning to be collected. Experience bears out the expectation that higher levels of efficiency result from improved employee morale and commitment, and from the collaborative nature of job sharing.

Q. Will it cost more?

A. Yes, but not much more. Benefits required by law (Social Security, etc.) for which an employer pays per person rather than by a percentage of salary may be slightly higher; other benefits, including medical insurance, can be prorated.

Experience shows that those employers using job sharing consider the administrative and additional benefit cost offset by the advantages, such as reduced absenteeism and turnover and heightened flexibility which decreases the need for hiring temporary personnel at peak periods.

Q. How are jobs shared?

A. Jobs can be shared by the division of time or the division of tasks. For a job in which it is important that the hours be covered (such as a receptionist), the sharers can split the time in a variety of ways including: half days, two and a half days each week, three days one week and two the next, one week on and one off, and so on. Sharers can overlap time for communication, or create special communication systems.

For jobs which are more task oriented, two individuals can work at the same time (two heads are better than one) or, if the task allows, essentially autonomously. The most consistently productive sharing situations happen when two people are able to collaborate on a task.

Q. Won't all my employees want to do it? (then I would have twice as many people to supervise!)

A. We have not found this to be a problem in any of the organizations with which we have worked. Not everyone can afford to work part-time, nor do the majority of workers prefer part-time to full-time. Yet, for those who need to work less than a 40-hour work week, job sharing is a vitally important option.

Some examples of employers who have used job sharing:

City of Menlo Park
City of Palo Alto
County of Santa Clara
County of San Diego
10 Bay Area School Districts

Palo Alto Medical Clinic
Department of Labor
Stanford Linear Accelerator Center
Employment Development Dept. (Palo Alto)
Stanford University
DeAnza Community College

Q. How do unions feel about job sharing?

A. On the whole, unions have been supportive of the job sharing concept, if it focuses on the needs of workers. Some unions, such as Local 715 of the County of Santa Clara, have negotiated these split positions in their contracts.

Q. How can I try job sharing in my organization -- slowly?

A. You can start with any or all of the following:

- Offer the possibility of job sharing to any full-time employees who would prefer to work part-time. An information meeting or a questionnaire sent to the employees outlining pros and cons of sharing has been a good technique to identify interested employees.
- Allow new applicants to interview for regular full-time positions as a pair.
- Advertise openings as being available for "one full-time or two part-time people".
- Identify a number of openings as potentially shared positions.

Other employers have tried all of the above methods and found them successful.

Q. What support do you offer if we want to try job sharing?

A. We will hold information meetings for your supervisors explaining the concept of job sharing and its application for your specific organizational needs.

We will train your employees in successful techniques of job sharing. If employees within your organization are interested in changing to part-time, they can find a matching partner through the Shared Job Project talent bank.

We will refer qualified pairs of applicants for your openings.

We will work individually with interested employees and supervisors to ensure a smooth and effective transition to sharing.

Under our grant, we can provide these services at no cost.

JOB
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NEW WAYS TO WORK
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(415)328-4974

JOB SHARING AND THE COST OF FRINGE BENEFITS

"What will I do about fringe benefits?" This is often the initial response we hear from employers when they are asked to consider allowing two people to share one job.

It is important to extend benefits to permanent part-time employees in order to encourage their personal identification as full members of the company's community. In order that this not mean an inequitable expense for the employer, we advocate the proration of fringe benefits; that is, the employer pays half the amount for each half time job sharer that he would pay for a full-time employee. The employees can then pay the additional amount for full coverage, or not, as their need demands. The following outline of specific costs and offsets shows how prorating would work.

The general categories of benefits are: (1) those which the employer pays for on a per capita basis and (2) those paid for as a percent of payroll or individual salary. Head count benefits will cost the employer more, usually, when two people are hired instead of one. Payroll or salary based benefits will not cost more for two people.

PER CAPITA BENEFITS

Social Security contributions (required by law) will cost an employer extra only if the combined salaries of two job sharers exceeds $15,300 per year. Between $15,300 and $30,600, the employer must pay 5.85% of the total. For example, at $20,000 combined salary, an employer would pay $274.95 additional per year. The maximum extra cost would be $895.05 at a combined salary of $30,600.

State and Federal Unemployment contributions work similarly except that the expense increases above combined salaries of $4,200 per year, and reaches maximum at a combined salary of $8,400 per year. However, since percentage charges are so small, the maximum extra costs to employers are $113.40 per year for state, and $21.00 per year for federal insurance.

Medical insurance can be handled by having the employer pay a percentage of the amount he pays toward a full-time employee's coverage. The job sharers then have the option of paying the extra expense if they would like the coverage, or refraining if they do not wish to be included in it (this, of course, saves the employer his share as well).

BENEFITS BASED ON PAYROLL OR PERCENT OF SALARY

Workman's Compensation premiums are usually paid by the employer as a percent of payroll, and therefore cost no more when two employees are hired instead of one. Some employers are self-insured for Workman's Compensation (Stanford

University, for example); but risks are no greater with two employees sharing a job, because the number of person-hours spent on the job would be the same.

Many other benefits, such as life insurance, travel insurance, retirement plans and profit sharing are based on the employee's earnings and can therefore be automatically prorated for part-time employees.

Vacation, sick leave, etc., which anounts to salary paid for time not worked is the most easily prorated category of benefits. Normally the half-time employee would be entitled to half the vacation time provided for full-time workers, etc.

HOW BENEFITS ARE CURRENTLY BEING HANDLED FOR PERMANENT PART-TIME EMPLOYEES

Several employers in the San Francisco Peninsula area are extending prorated benefits to their permanent part-time employees. As we have said, we believe this to be the best model because it is the most equitable and practical. (Stanford University and SLAC are examples.)

Some other employers (Lockheed, Hewlett Packard) have modified benefits for permanent part-time employees, e.g. Lockheed's medical plan does not cover office visits for dependents of part-time employees, and H.P.'s Medical Plan provides no Long Term Disability for part-time employees. This kind of flexible approach can be used to tailor benefits to the circumstances of the individuals involved.

Some currently extend full benefits to part-time employees (City of Palo Alto, Ampex Corporation, Santa Clara County, S.R.I., American Institute for Research). This approach is generous but not ideal because the extra cost may discourage wider use of job sharing in the future. However, in time it may become apparent that the benefits to employers of job sharing -- increased productivity, flexibility and access to jobs -- will outweigh any additional administrative or benefits/overhead costs.

JOB
SHARING

POSITIONS BEING SHARED - APRIL 1976

San Francisco Bay Area

Position	Employer
Director, Extended Resource Center	Palo Alto Unified School District
Program Director	YWCA, Stanford University
Director, Physically Limited Program	De Anza Community College
Administrative Assistant, County Supervisor	Santa Clara County
Facilities Planning Engineer	Stanford Medical Center
Director, JAC program	U.S. Dept. of Labor
Program Director	Community Child Care Palo Alto
Animal Control Officer	City of Palo Alto
City Planner	City of San Francisco
Student Assistant	College of San Mateo
Coastal Planner and Analyst	Calif. Coastal Commission
Vocational Counselor	Employment Development Dept, State of California
Naturalist	City of Palo Alto

Position	Employer
Director, ARLO Program	Stanford University
Librarian	City of Palo Alto
Librarian	City of Menlo Park
Librarian	Morgan Hill School Dist.
Program Assistant	City of Palo Alto
Receptionist	Palo Alto Medical Clinic
Receptionist	Private Physician
Secretary	St. Theresa's Church, S.F.
School Psychologist	Alum Rock School District
Clinical Social Worker	San Mateo Co., Mental Health
Social Workers 75 split positions	Social Service Dept. Sant Clara County
Parking Meter Monitor	City of Berkeley
Gardener	"
Recreation Programmer	"
Art Center Curator	"
Engineering Assistant	"
Engineering Inspector	"
Account Clerk	"
Mental Health Worker	"
Sanitarian	"
Teachers	Over 9 Bay Area School Districts; for more information see "Job Sharing in the Schools", New Ways to Work Feb. 76
Clerical	City of Palo Alto
Administrative Assistant	City of Novato
Secretary to Finance Director	City of Menlo Park
Receptionist	Kaiser Hospital

San Francisco Bay Area (continued)

Position	Employer
Library Assistant	Redwood City
Typist	American Micro Systems, Inc.
Receptionist, Personnel	Stanford Research Institute
Supervisor, Inflight Service	United Airlines
Bank Teller	Well Fargo Bank
Girl Friday	Johnson Upholstery Co Alameda County
Legal Secretary	Attorney, Menlo Park
Janitor	City of Redwood City
Chemist	Gilroy Foods

UNITED STATES -- Outside the San Francisco Area

Media Librarian	Montgomery County Community College, Pa.
Business economist Economist	Federal Reserve Bank Boston
Deputy Probation Officer	San Diego Probation Dept.
Assistant Curator	Metropolitan Museum of Art
Executive Director	YWCA, Binghamton, NY
Professor, China Studies	Hamline University, Minn.
Professor, Human Ecology	Massachusetts Instit. of Technology, Boston
Professor, American History	Scripps College, Claremont, Ca.
Professor, Psychology	Oberlin College

United States (continued)

Position	Employer
Professor, Religion	Gustavus Adolphus College Minnesota
Attorneys	Smithsonian Institute
Secretary, Office of Student Affairs	Massachusetts Instit. of Technology, Boston
Teachers	Cedar Falls Board of Education Iowa
Teachers	Detroit School Board Michigan
150 employees alternate weeks	Metropolitan Life Insurance Co. New York
Teachers	Rye Neck School System New York
INTERNATIONAL	
"Twinning" over 1,000 employees share jobs and child care in pairs	Barclay's Bank, England
"Work Sharing" study done with 16 couples by Dr. Ola Rokkones, Family Council	Oslo, Norway
Physicist Teacher	Stockholm, Sweden " "

For contacts, please call New Ways to Work Job Sharing Project (415) 328-4974

JOB
SHARING

EXAMPLES OF SHARED JOB SCHEDULES

Position		Monday	Tuesday	Wed.	Thurs.	Friday
Hospital Facilities Engineer Director, Extended Resources Center Legal Secretary	AM	A	A	A	A	A
		▨	▨	▨	▨	▨
	PM	B	B	B	B	B
		Total Hours worked: A=20 B=20 with overlap				
Teacher	AM	A	A	▨ AB	B	B
	PM	A	A	▨ AB	B	B
		Total Hours worked: A=24 B=24				
Bank Teller	AM	A	B	B	B	A
	PM	A	B	B	B	A
		Total Hours worked: A=16 B=24				
Workshop Co-ordinators	AM	▨ AB	▨ AB	▨ AB	▨ AB	
	PM	▨ AB	▨ AB	▨ AB	▨ AB	
		Total Hours worked: A=20 B=20 5 hours a day				

▨ = overlap time

JOB
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NEW WAYS TO WORK

Job Sharing Publications

Employer Information Packet (includes fringe benefits; questions employers ask; jobs being shared; sample time chart)	$ 2.00
Job Sharing in the Schools A preliminary study of nine Bay Area districts	2.00
Job Sharing in Municipal Government Stanford University ARLO Report	1.25
Bibliography on Job Sharing Flexible time patterns, and alternative work arrangements related to work life issues	2.00
Total (prices include postage)	______

Studies in progress (available Fall 1976):
Job sharing in city, state and local governments.

Job sharing: A guide to developing a job sharing project.

Name ______________________________

Address: ________________________

____

Order from:

NEW WAYS TO WORK
457 Kingsley Avenue
Palo Alto, CA 94301
(415) 321-9675

ENDORSEMENTS OF NEW WAYS TO WORK AND JOB SHARING

"I was considerably impressed by the description of your work...and I would be glad to help in any way I can. I suspect that considerable public education will have to take place before Congress recognizes the need for increased emphasis on part time jobs."

Paul N. McCloskey, Jr.
House of Representatives
Washington, D. C.

"New Ways to Work is an unusually effective organization. It is one of the very few groups I know providing the necessary steps between study and employment research, and building in solutions."

Madeline H. Mixer
U. S. Department of Labor
San Francisco, California

"Due in large part to the encouragement and resources of New Ways to Work, the City of Palo Alto is in the process of using job re-structuring to aid in the implementation of its affirmative action program. The option of job sharing will open more opportunities for minorities and women."

James A. Alums, Affirmative Action Officer
City of Palo Alto
Palo Alto, California

"Job sharing provides the employer a unique opportunity to combine talents and experience which may not otherwise be found in a single employee."

Robert W. Cool, Asst. Dir. of Training
San Francisco Bay Area
Connecticut General Life Co.

"We believe that your program offers one of the few feasible solutions to the present unemployment situation."

Louise C. Brown
The Displaced Homemakers Center, Inc.
Oakland, California

"The need for job sharing has been expressed by a great many of our clients and other people in this community, and we want to endorse your proposal to provide a teaching module through the Job Sharing Project."

Karly D. Pullen
Womans Way
San Anselmo, California

"We would like to be the first to use your training module, as there are countless women who seek part time and shared work which is permanent and challenging."

Rebecca A. Mills
Advocates for Women
San Francisco, California

Senator NELSON. Our next witnesses are from the Wisconsin State Bureau of Human Resources Services, Carol Lobes, chief of Federal Manpower Programs, Mary Cirilli and Diane Jones, regional coordinators of the Wisconsin State Manpower Council.

If you would identify yourselves for the reporter for the accuracy of the record.

STATEMENT OF CAROL LOBES, CHIEF, FEDERAL MANPOWER PROGRAMS, WISCONSIN STATE BUREAU OF HUMAN RESOURCES, ACCOMPANIED BY MARY CIRILLI AND DIANE JONES, REGIONAL COORDINATORS, WISCONSIN STATE MANPOWER COUNCIL

Ms. LOBES. Sir, I am Carol Lobes, Mary Cirilli is to my right and Diane Jones is to my left. We will be talking to you about a proposal that is presently in process that has been presented to the Department of Labor Employment and Training Administration.

Because we are committed to the process of job sharing, we have also shared responsibility for this testimony. Mary Cirilli will begin.

Ms. CIRILLI. I am Mary Cirilli, regional coordinator with the State of Wisconsin Manpower Council.

My testimony and that of Diane Jones and Carol Lobes will provide an overview of what we have learned in attempting to implement a job-sharing proposal in Wisconsin.

Senator NELSON. Just for my own information, are you from Superior, Wis.?

Ms. CIRILLI. Yes.

Senator NELSON. Arthur Cirilli is your father?

Ms. CIRILLI. Yes.

Senator NELSON. You may have all the time you want.

Ms. CIRILLI. My testimony will provide historical background, that of Ms. Jones will define project structure and goals, and Ms. Lobes will testify regarding responses which have been received to date, and where our proposals stand at this time.

Approximately 3 years ago we began research on the various factors contributing to worker gratification and motivation. During the course of this investigation we came across an article published by the Catalyst organization, which dealt with the concept of flexible workhours. At that time this was one of the few sources we could find for material on these issues. Even then preliminary findings were that productivity increased and worker satisfaction was high when this structure was introduced into a work setting that had formerly been scheduled along the typical 40-hour, nine to five structure.

Through contact with Catalyst, we learned that there existed a significant list of individuals who were interested in working on a flexible hours or part time basis. This information, coupled with feedback from various sources within State government and various women's groups, encouraged us to develop a model project for Wisconsin.

Since the original writeup, the proposal has been revised and rewritten many times. The most recent form has been designed to thoroughly research the effect that shared time positions will have on State government, work unit supervisors, coworkers, shared workers themselves, and perhaps the larger work force. Until yesterday we were only aware of one other large-scale endeavor in the private sector of Wisconsin, which involved the American Orthodontics Co. They instituted the flexible workhours. Since the time they instituted this, the firm expanded from 2 employees to 70.

With regard to the development of the Wisconsin job sharing project, it should be here noted that the main concern is shared work situations as opposed to flexible workhours. In addition, during the development of the proposal, the Wisconsin Department of Industry, Labor and Human Relations and the State Bureau of Personnel were contacted to secure advice and assistance with problem solving. Discussions with the Bureau of Personnel determined that there was nothing in either Civil Service regulations or the administrative rules which precluded the institution of job sharing/flexible workhours in State government. In fact we found that there already existed some isolated instances of a supervisor instituting a shared job structure within a work unit. The Department of Industry, Labor and Human Relations agreed to work with us to determine the effect of a shared job on employees' annuity payments on a case by case basis. There is nothing in Wisconsin legislation to prohibit a person past the age of 65 from returning to work.

The proposal itself will now be discussed by Diane Jones.

Senator **Nelson**. In the retirement system, isn't that compulsory? For those past 65, isn't the retirement system an inhibition against returning to work for the State?

Ms. **Cirilli**. No, providing the supervisor or head of that department permits it, a person past the age of 65 can return to work.

Senator **Nelson**. That is the 1-year annual extension provision?

Ms. **Cirilli**. Yes.

Senator **Nelson**. When you get back to the big league, tell Judge Cirilli "hello" for me, will you?

Ms. **Jones**. Flexible work hours and job sharing would respond to many social and economic concerns of the Nation. It is possible that job sharing could put more people to work—particularly those who would not require a maximum income—and help deal with economic issues such as unemployment, welfare and reduced support of the aged. Job sharing and flexible work hours also could help attack some of the problems associated with a dehumanized work environment such as mental illness relating to pressures, disuse of individual capabilities, and lack of meaningful use of leisure time.

In addition, there are many older workers who, because they are part of the 40-hour week structure, are unable to gradually phase down to retirement. The switch from working full-time every day to the day of retirement and then having no work at all is abrupt and often stressful for retirees. Men and women with household responsibilities can be prevented from finding employment because traditional work situations require full-time employment. If more positions were available for part-time employment, it would be possible for more mothers on welfare and for persons with needed skills who have been out of the job market for some time to find jobs.

A target population of the project initially proposed to the Department of Labor in the Fall of 1975 would be women and older workers.

The purpose of this proposal is to develop and test a job sharing and flexible work-hours arrangement in State civil service for persons who are planning to retire and for others who desire less than a 40-hour workweek. Flexible work-hours in this context will be defined as a negotiated arrangement between employee and employer regarding specific worktimes. The intent of this project is to (1) measure the productivity of people in shared job situations against productivity of those in conventional work situations and (2) measure the impact of creating less than full-time jobs on the balance of the work unit in which persons sharing jobs are located, and (3) to develop materials that will allow the project to be replicated in other settings.

The hypotheses upon which this proposal is based are as follows:

A. The productivity of the part-time workers will be greater than that of those working full-time. This measurement and research design will be conducted by Dr. Gerald Somers with the University of Wisconsin Department of Economics in the Industrial Relations Research Institute. Dr. Somers is nationally known for his labor research.

B. Persons previously excluded from a traditional work force would have access to the work force, mainly women and older workers.

C. Persons nearing retirement age will desire to decrease the hours in their workweek.

D. Given the opportunity to share a job, plus the choice of fitting work to a living schedule, will increase worker gratification.

E. The living standards/life styles and characteristics of persons choosing to work less than full time will differ from those working fulltime, and

F. Workers who have already retired would choose to return to work less than full-time.

The procedures that are being proposed are:

1. 25 or more permanent full-time civil service jobs will be identified by the project staff.

2. Task analysis and/or job restructuring will be performed on these jobs.

3. Recruitment for project participants will emphasize older workers, women and other persons excluded from a full-time labor force.

4. Participants will be selected on a random basis, following civil service laws.

5. Participants selected will be slotted into appropriate positions. The last step of the job/task analysis will be completed with the working partnership in mind, that is the tasks designed for complementary skills, similar skills, et cetera.

There has been growing interest in this project since publicity appeared regarding initial awarding of the grant.

Carol Lobes will now describe the responses we have received.

Ms. Lobes. I would like to give at this point a summary of the written testimony which was submitted and then finish with a clarification of the present status of the grant application which has just been described.

In early March of this year we received verbal assurance from the Department of Labor Employment and Training Administration that there existed initial favorable response to the project proposal, with some details remaining to be defined or modified. At this point there appeared several news articles about the proposed project. These preliminary feature stories stimulated a flood of unsolicited responses from both potential employers and persons desiring part-time work.

The following are examples of inquiries from job seekers:

Married couples seeking to share one position between them.

Persons, both men and women, now working full-time and seeking to share a job instead.

Unemployed women, primarily mothers of infants and school age children wishing to find part-time work.

Older workers approaching retirement and wishing to phase down prior to full retirement, and even one person who wished to share a job in order to continue farming.

One woman, who wished to find only part-time work, stated that she felt "put down" and "dehumanized" in job interviews when she explained that she was not seeking full-time employment.

Another woman commented that shared jobs seemed especially adaptable to the medical profession since the nature of the work was exhausting. In addition, much training and many skills would be lost if women possessing them who also had families could not work on a part-time basis.

A woman also commented that she felt that this structure would help diminish juvenile problems as parents could be with children at the most important times of the day (for example right before and after school) and would also have the energy for quality interaction.

Two different men, who now work full time, wish part-time work instead. They value their free time more than the additional money they are presently earning.

Two women who now work full time have stated that their jobs would be excellent for a shared situation. They volunteered to participate if their employers are agreeable.

Two married couples have contacted us seeking a shared job. At least one of the partners in each couple now works full time.

A women who now works full time will be having a baby soon and wishes to share her job after the birth.

One man and one woman, both now employed in State government in the same department, are nearing retirement and would like to share one of their positions.

One man who now works full time wishes to decrease his work hours in order to farm. This situation illustrates the possibility of the project responding to one of Wisconsin's economic problems, the decreasing farm population, by enabling individuals to retain their ties to the land.

In addition, 42 other persons, primarily women, have indicated to us an interest in securing a shared position.

In all, there have been approximately 70 indications of such interest expressed.

We have also been contacted by potential employers, both in the State service and the private sector, who are interested in receiving further information on how the concept might be applied to their particular situations;

A university chancellor wishes to scrutinize the work force of his institution in order to define vacancies that might be used for this purpose

A departmental librarian feels that her assistant position could be better filled on a shared basis

A major departmental personnel officer has expressed interest in utilizing the project in his work force

One work unit has a female employee about to have a baby who will only return to work half time. The unit is willing to fill the other half of her job

In addition, a major local utility company has expressed an interest in adapting the project's findings to its own situation.

We also found that some managers in State government have already realized the value of job-sharing, flexible work hours:

Protective services has four police cadets sharing two jobs, with excellent success

A data-processing unit in the Department of Industry, Labor and Human Relations is now securing approval to operate on a flexible hours basis

Two nurses in a correctional institution are already sharing one position.

With regard to the implementation of the project itself, there appears now to be some question. There is a concern on the part of the Department of Labor that the constraints of the civil service system might interfere with the rigorous research designed in terms of the size and structure of the comparison control group and this interference might invalidate the viability of any findings. We are working to find alternative strategies to respond to that concern and assure the results are both defensible and useful.

In closing, I would say that the project was written in the belief that Government employment provides an excellent resource for testing innovative approaches and alternate structures. Our specific access was to the State civil service system and for that reason it was the focus of this effort. We will continue to resolve whatever problems may yet exist which might interfere with the implementation of this project. We are determined to learn what the effect of shared work structures might be on the State civil service.

Thank you.

Senator NELSON. Is the application for this proposal pending now?

Ms. LOBES. That is our understanding, yes.

Senator NELSON. Why isn't it feasible for the State just to do it themselves?

Ms. LOBES. We are trying to explore a variety of possibilities. There are some extra additional resources needed in terms of the staff to develop the positions, to work out the structure and to do the specific recruiting.

Senator NELSON. I understand that. Bill Bechtel, who used to be staff director of this subcommittee, was with the State manpower council.

Ms. LOBES. No; he has assumed other responsibilities.

Senator NELSON. That's right. Phil Lerman is now director of the Wisconsin Manpower Council. There isn't any reason why a State can't proceed to design its own proposal and go ahead with it, is there?

Ms. LOBES. No; and that is our concern, to explore as many possibilities for implementing this as possible.

Senator NELSON. Does the city of Madison have a proposal involving this?

Ms. JONES. The State will pick up all of the salaries. There will be ongoing permanent civil service jobs. The only portion we are asking the Department of Labor to fund is the research portion of it so that the staff can develop a model for dissemination to other units of Government.

Senator NELSON. And there are no statutory inhibitions concerning overtime work in the Federal employment in the State?

Ms. LOBES. Not with regard to shared positions.

Senator NELSON. Not with regard to shared, but if you got into overtime there would be, is that correct?

Ms. LOBES. Right.

Senator NELSON. Thank you very much. We appreciate your taking the time to come here.

Our final witness——

Senator JAVITS. Mr. Chairman, may I say, before you go on, that I came especially to learn what this was about, because of our common interest in working motivations, and I appreciate the Chair carrying on the hearing so I could hear a little of it.

Senator NELSON. They have been very fruitful and interesting hearings yesterday and today, and I think it is a good hearing record that would be worth looking at.

I appreciate your coming.

The Urban Institute is represented by Isabel Sawhill, senior research associate.

STATEMENT OF ISABEL SAWHILL, SENIOR RESEARCH ASSOCIATE AND DIRECTOR OF A PROGRAM OF RESEARCH ON WOMEN AT THE URBAN INSTITUTE, WASHINGTON, D.C.

Dr. SAWHILL. Thank you.

My name is Isabel Sawhill and I am a senior research associate, an economist, and director of a program of research on women at The Urban Institute, a nonprofit research organization, located in Washington, D.C.

The testimony which I will deliver today was prepared by myself and my colleague Ralph Smith, who is also an economist and a senior research associate at The Urban Institute. The views presented here are ours and should not be attributed to The Urban Institute or its sponsors.

To date, we have not done any specific research on the subject matter of these hearings, but we have thought about these issues more generally, about the kinds of policies that might be adopted and about what kind of additional information on the costs and benefits of such policies is needed.

One of the objectives of our research program is to identify and analyze policies which will meet the changing needs of a society in which there is greater economic equality between men and women than exists today.

In this connection, one of the most pressing issues facing society as it moves toward this future is the question of who will care for children. Part-time work and jobs with flexible hours are one possible answer. These alternative schedules need to be made available to both men and women, even though in our current culture it is women who are most concerned with, and most likely to reap the immediate benefits from, the availability of such options.

However, it would be a mistake to overlook the need of both parents to devote more time to children in the future as a greater sharing of family roles becomes more common.

Senator **Nelson**. May I interrupt a moment?

I have a couple of urgent calls I have to make. Senator Javits will complete the hearing. I regret missing your testimony, but I will read it, and I appreciate your taking the time to come here today to testify.

Senator **Javits**. Are you the wife of the president of NYU?

Dr. **Sawhill**. He is my husband.

Senator **Nelson**. It is time for me to leave.

Dr. **Sawhill**. I know you know about that sort of thing, Senator Javits.

Senator **Javits**. I approached it very carefully, but not carefully enough. Thank you. It is merely in my eyes I am just gratified to see you work, and independently.

Dr. **Sawhill**. Thank you.

In addition to the help that nonstandard work schedules can provide for parents, greater flexibility in work schedules can help the young to continue their education with less reliance on public or private subsidization and can also meet the needs of the elderly or the disabled who are unable or unwilling to work standard hours.

What are the likely benefits of these new arrangements for the individuals involved and for society generally? First of all, the inability to find a job with a schedule that permits the allocation of some of one's time to nonmarket activities may lead to unemployment or discouragement from active participation in the labor force.

The families or individuals involved will suffer from lower income and society's total output of goods and services will be diminished. In some cases, the taxpayer will also be called upon to pay higher costs for such things as aid to education, social security or welfare.

Second, the availability of part-time work can help maintain or increase the skills and job experience of married women while their children are young so that they will be in a better position to qualify for higher paid work and to contribute more to society once their children have grown up or left home.

And for the displaced homemaker, that is, the woman who is suddenly left with responsibility for support of a family due to divorce, separation, or a husband's death—part-time work experience may ease the successful transition to full breadwinner status.

Given that one out of every three younger marriages is predicted to end in divorce, this last consideration is not unimportant.

Third, there should be some less tangible benefits for those families where the parents' energies are currently too unevenly divided between home and job; the resulting frustrations from having their available time either under or overemployed, lead to disastrous consequences for the quality of their own and their children's lives.

Many mothers, in particular, face a cruel choice. It is the choice between working full time and having insufficient hours to devote to their children, or not working at all and feeling bored, frustrated or financially hard pressed as a result.

Numerous proposals have been made to increase the number of job opportunities with nonstandard hours. We turn now to some of the additional economic issues that should be considered in formulating public policy in this area.

The first issue is whether the lack of part-time jobs and jobs with nontraditional schedules is a serious problem and, if so, the number and characteristics of the people affected. A direct measure of the extent, though not necessarily the severity, of the problem could be obtained through population surveys.

At this point in the written testimony we go through a series of statistics which have been collected by the Census Bureau for the Labor Department as part of the regular Current Population Survey, and from those statistics we developed some numbers on the extent of part-time unemployment to try to get at the question of whether there are more people looking for part-time job opportunities than there are jobs available, and whether the resulting unemployment is greater than it is in the case of full-time workers.

We find that the unemployment rate among the so-called part time labor force is higher, and we also find that the characteristics of most of the people who are actively seeking part-time jobs conform to what has been said at a more intuitive level here, and that is that most of these people are women or youth, particularly youth.

So I will skip over the details of that section in the interest of time, and then the next question I would like to address is why there is this pent-up demand on the part of individuals for alternative work scheduling, why is it that there aren't sufficient numbers of opportunities for those who are looking for them.

Economists typically approach issues of this sort with the following kind of question: If there really is a large number of people who prefer to work on a part time or flexitime basis, why aren't employers willing to hire them? If the supply of workers with this need or desire exceeds employers' demands for their labor, why aren't their wages bid down to a market-clearing rate?

It is easy to see why there are millions of people who prefer to work other than a standard schedule. It is less obvious why many employers will not permit or do not encourage alternative work schedules. Reluctance to try something different may be one reason. But, in addition, there are real costs that employers incur.

Policies and programs intended to increase the availability of alternative work schedules should be formulated with an understanding of these costs.

For part-time jobs, three types of costs may be relevant. First, associated with all but the most casual employment relationships are the costs of recruiting, processing, and training new personnel. It probably costs nearly twice as much to hire two 20-hour per week employees as to hire one full-time worker. For work that requires considerable on-the-job training before the employee is productive, these costs can be very large.

Second, average hourly output may be related to the number of hours worked each day and each week. In some jobs, there are startup activities that each worker must do—such as keeping up with changes in company policies—that are the same whether he or she works 4 hours or 8 hours. Or the unavailability of certain employees for part of the day might make it more difficult for others to do their jobs well.

For these reasons, productivity may be lower among part-time employees. On the other hand, individual efficiency may increase when hours of work are decreased due to reduced fatigue and improved morale.

Third, the firm may incur annual costs per employee that are unrelated to workweek length. Most fringe benefits, such as employer contributions to pension funds and vacations, are either proportional to direct wages or can be prorated.

Other costs—most notably social security taxes—are based on the individual employee's wages up to a ceiling. Once the maximum—currently $15,300 for social security—is reached, no additional costs are incurred.

Thus the employer pays a smaller tax on one full-time worker who earns $20,000 than on two part-time workers who each earn $10,000; no additional taxes are incurred for dividing a full-time job with a salary below the ceiling.

The costs of allowing employees to set their own schedules within certain constraints—flexitime—are not as well defined. With no change in the total number of hours worked by each employee, none of the additional hiring and fringe benefit costs identified for part-time schedules would be incurred. However, there may be a reduction in productivity. As in the case of part-time work, one worker's efficiency may be lowered by the absence of another worker. Scheduling meetings and other activities that require joint participation becomes more difficult.

The preceding list of some of the possible costs of alternative work schedules does not have dollar amounts attached. In many instances the costs may be negligible. Most likely, they are highest for the "better" jobs, occupations in which the firm provides training and the employee has significant responsibilities and must work with others.

On the other hand, many jobs are less costly to the firm if performed on a part time or nonstandard schedule. For example, alternative schedules provide one means of dealing with peak-load problems. It is not surprising, then, that a large proportion of sales, clerical, and service jobs are performed on a part-time basis, while very few managerial positions are held by part-time workers.

The fact that firms may incur added costs by using workers on a part time or flexitime basis does not, alone, explain why people in need of such jobs would have more difficulty finding work than people seeking jobs with conventional schedules.

The second element needed is an explanation of why lower wages for workers on nonstandard schedules are not used to compensate for these costs. If someone wants to work part time or on a nonstandard schedule, why can't the individual do so as long as he or she is willing to accept a lower hourly rate? This would be analogous to the shift differentials firms pay to induce employees to work a less desirable part of the day.

Perhaps wages are, in fact, lower for comparable employees who seek nonstandard schedules. It is difficult to tell. But anecdotal evidence suggests that there are many firms that simply do not offer part time or flexitime schedules for many of their occupations at any wage.

It would be quite useful to find out why they do not consider applicants seeking nonstandard schedules. There may be a widespread reluctance to give the appearance of paying unequal wage rates for equal work. Legal and morale problems may arise. Well established wage structures may prohibit a differential.

There may be a fear of innovation and the risks associated with arranging nontraditional work schedules. Some employers may feel that there is only one schedule that will get the job done.

There may be a belief that the people who seek alternative hours are inherently less productive. Their unwillingness to work a standard workweek may be taken as a signal that they are less motivated and less able to bend with the needs of the job. Perhaps they are unwilling to work at a lower wage. Whatever the reasons, justified or not, the chances of success is expanding alternative work schedules will be greater if they are taken into account.

The remainder of our discussion considers the possible actions that the Federal Government could take to encourage alternative work schedules.

The Federal Government does not have a general policy toward encouraging or discouraging the growth of part time and flexitime jobs. There is evidence that many potential workers would like to have a wider range of work schedules than is available and that, as one consequence, many are either not working or are working in occupations below their skill level.

The continued growth in the number of two-earner families as well as the spiraling costs of higher education and social security may increase the pressure to provide such opportunities.

If the Congress seeks to encourage the growth of jobs with alternative work schedules, several options are available. Without knowledge of the benefits and costs of each, there is little basis for choice.

It may be useful to at least enumerate the kinds of policies that could be effective and some of the economic consequences associated with each.

First, employers would be more willing to offer alternative work schedules if they were unable to recruit and retain the desired number of standard schedule workers. In a high unemployment labor market, the firm has less of an incentive to innovate. Hence, stimulative macroeconomic policies help to provide the economic environment within which jobs with alternative work schedules, as well as all other jobs, could increase.

Second, legislation could be enacted that would lower the relative costs of employing people on a nonstandard schedule. Wage subsidies, similar to the work incentive program tax credit, could be offered to firms that increase the number of jobs with alternative schedules.

We understand that legislation of this type has recently been introduced in the House by Representative Conable. The objectives of such a bill are commendable. However, considerable care needs to be exercised in drafting such legislation, lest it provide windfall gains to firms without changing their behavior. Also, there could be some side effects on the rest of the work force.

For example, suppose the subsidy were based on the total wages paid by a firm to part-time workers in excess of the amount paid to such workers prior to enactment. This might induce employers to attempt to reduce full-time workers' schedules, perhaps bribing these employees with higher wages in the process.

If this were true, all that would happen is that the taxpayer would end up subsidizing higher labor costs. Carefully designed legislation can probably avoid these kinds of pitfalls but further thought needs to be given to just how the objectives of providing more part-time jobs can best be accomplished.

Third, the legislation that currently discourages employers from using alternative schedules could be amended. The ceilings on social security and unemployment insurance taxes may have this effect. Equal pay legislation may discourage firms from passing on any of the additional costs they incur and, instead, discourage hiring. Laws requiring extra compensation for those who work more than 8 hours a day or 40 hours a week can be a barrier to the use of flexible schedules.

It would be useful to examine these and other laws already on the books to see if any simple amendments are possible. In each case, care must be taken to consider the potential costs of changing the original law.

Fourth, the need for alternative work schedules arises for many people because of a lack of adequate child care facilities or the expenses of higher education. To our knowledge, no one has ever calculated the relative costs of meeting their needs by providing subsidies for education or day care versus subsidies to encourage more flexible workhours.

The latter alternative could turn out to be a relatively inexpensive means of meeting people's needs because it would allow them to make a greater effort on their own behalf.

This would, in effect, be financing part of their own education or part of their own child care expenses; in the first case by earning part of the costs of the education, and in the second, by providing part of their own child care.

Fifth, a recurring theme in our discussion has been the uncertainties for employers associated with introducing an alternative work schedule. Few people like to be the guinea pig, the first in their industry or labor market to try a different way of doing things. This is especially true when the old ways seem to work well.

One way the Government can aid in overcoming this fear is to promote research, demonstrations, and opportunities to exchange information on the results in firms that did innovate. There are real costs associated with change, some changes work better than others, and some environments are more conducive to successful alternative scheduling than others. It should not be necessary for every firm to start from scratch.

The conference on Implementing Alternative Work Patterns, jointly sponsored by the National Center for Productivity and the Quality of Working Life and the Committee for Alternative Work Patterns is a good example of what can be done, as are these hearings themselves.

Finally, the Federal Government itself is a major employer. It can, and already is, serving as a testing ground for alternative work schedules and as a model for other governments and private firms to follow.

This concludes our statement. It is our opinion that insufficient information exists presently to warrant making hasty recommendations.

I will be happy to try to answer any questions the committee may have.

Senator Javits. Thank you, Dr. Sawhill, very much.

I find the whole concept, which is relatively new to me, very interesting. I didn't realize there was a whole movement going on, that a study has been done and experiments have been tried, and I came especially to find out about it.

I have just two questions: One, I would like your final suggestion as to whether perhaps the guinea pig ought to be governed. Would you feel—I gather you do but I would like to ask the question—would you feel that an experiment in Government is the most controllable and the most likely to occur; and could there be a similar, if it worked out, experiment involving the private sector?

Dr. Sawhill. Yes, I think that is exactly what is involved and there is no necessity for Government—let's put it very frankly—to worry as much about whether this is going to impact their competitive edge and therefore it is somewhat easier for them to be the guinea pig.

Senator Javits. And also their relations with trade unions which might figure in the private sector?

Dr. Sawhill. One could add that factor.

Senator Javits. The other question which comes from page 9 of your statement, the first item, the sentence says, "In a high unemployment labor market the firm"—let's substitute "government"—has less of an incentive to innovate."

So what I would ask you is how does this concept fit in with the balanced growth and full employment policy which is incorporated in the bill of Senator Humphrey and Representative Hawkins, of which I am one of the Senate cosponsors?

Dr. Sawhill. I think this is one additional argument for why that kind of a bill is needed and why we do have to get back to a higher level of employment than we have right now and get back there a little faster than we are currently doing.

I think that there is a great fear of the inflationary costs of moving towards full employment and, although I am not an expert in these areas, it is my opinion that those inflationary costs have been exaggerated.

Senator Javits. Then would you say, if I read between the lines of what you say, that it would not only be an element but mutually supportive? In other words, full employment would accommodate this plan better and that this plan would make full employment more possible without inflationary impact?

Dr. Sawhill. Yes.

Senator Javits. Thank you very much. I appreciate your testimony very much.

At this point I order printed all statements of those who could not attend and other pertinent material submitted for the record.

[The material referred to follows:]

THE LONG-RUN PROSPECTS FOR ALTERNATIVE WORK SCHEDULES

by

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THE LONG-RUN PROSPECTS FOR ALTERNATIVE WORK SCHEDULES

I am going to talk about some long-run issues in alternative work scheduling: to consider whether the standard workweek still makes as much sense as it once did, and, taking a look into the future, to ask whether a standard schedule will continue to make any sense at all twenty-five or fifty years from now.

My basic approach to these questions will be to consider just how effective work schedules -- standard or alternative -- have been in meeting social needs. The most direct social effects of work scheduling clearly are on the scheduling of work and non-work activities themselves. Work schedules also have indirect effects on the amount and quality of work that gets done. Some interesting indirect impacts of schedules on many aspects of the quality of life and social relationships can also be traced out. One method of analyzing the growth of alternative work schedules -- and even hazarding a guess about their future -- is to begin by studying changes in the relative payoffs to society of standard and alternative work schedules, in terms of these direct and indirect effects. The next question that must be asked is whether or not such changes in the social payoffs of work schedules will actually yield changes in scheduling practices? In fact, market place pressures on personnel managers; union demands; and government regulation do provide ways in which broad changes in social demands can be, and sometimes are, translated into practical change.

Because of the limited time at my disposal, I will focus on the direct or scheduling effects of alternative work schedules, and ways in which these impacts may generate effective demands for change. Then I will discuss briefly some likely effects on labor supply and will mention some possible indirect effects on other social problems.

What is an alternative work schedule? In a narrow definition, work scheduling considers variations in the timing of work over the week or year. We may take the standard schedule as consisting of a five-day, Monday-to-Friday workweek of 35 to 40 hours; a workday that begins between 7:30 to 9:00 A.M., and ends at 3:30 to 5:00 P.M.; and, usually, an annual vacation of two or three weeks. In this standard arrangement, the work schedule is set by the employer. Alternatives to the standard schedule include permanent part-time employment; compressed four-day, nine-hour day schedules; flexitime, which gives the employee some choice in the design of his own schedule; and various work-sharing arrangements.

One can also ask whether certain "old-fashioned" alternative schedules should be included? How about moonlighting? How about "permanent overtime employment?" And how could we exclude conventional evening and night shift work?

A comparison of standard and alternative schedules shows that there are two distinguishing features. The alternative work schedule does not fit into the standard time slot. Moreover, in some of the alternatives the employee is offered a degree of choice over his schedule; this is most notably the case with flexitime, but is also characteristic of some schemes for permanent part-time work.

A useful way to begin to evaluate the effects of these alternative working schedules on the scheduling of work and non-work activities is to challenge the received doctrine that the standard arrangement, in which all work activities are scheduled for a common time by the employer, is normal and efficient.

Perhaps the best way to challenge the view that such employer-set standard hours are "normal" is to take a look backward in our history. A hundred, or a hundred and fifty years ago, most Americans worked on family-run farms or in family-run businesses. In this structure, the scheduling of work for market sale; of housework and household manufacture; and of time for leisure or cultural purposes was all done within the family. It was only in the next two or three generations — in the late nineteenth and early twentieth centuries -- that most American families lost control of the means of production -- the farm or business that had supported them -- and went to work for an employer, who set their work schedule.

In this same period of rapid industrialization, employers increased the degree of control they could exercise over the movements of their employees. For example, skilled craftsmen who had practised their skills in the same way for many years, and who had had considerable autonomy on the job, often found their job structure reorganized and themselves reduced to the status of semi-skilled employees. This employer effort was resisted -- providing some of the bloodiest chapters in our labor history -- but without much success. Tight employer control permitted the introduction of new mass production techniques, which considerably raised productivity and, eventually, living standards. The new technologies required very close coordination among extremely specialized workers. Under these circumstances, one is not surprised to learn that hours of work came to be extremely standardized. (It is true that evening or night shifts were introduced in some industries to obtain better utilization of physical capital stock; on each shift, however, hours were fully standardized.)

Nor is it surprising to find that this emphasis on standardization spread from the economically dominant manufacturing sector to office work and other situations where the technological imperatives were not so strong. It was, after all, the age of the machine.

However, conditions have changed remarkably in the past seventy-five years, undermining the economic and social rationale for standardized hours.

In the first place, the needs of employers have changed. As a result of ever-higher labor productivity in manufacturing and agriculture, the majority of the labor force is now in the white collar and service sectors, where employer schedule demands are quite different. This can be seen most clearly in those divisions of the retail trade and service industries that directly serve the public -- a large and growing share of total employment. Obviously, workers in this set of industries are dealing with people who are not at work. But with a majority of adult women and almost all adult, prime-aged males now members of the labor force, the purchaser of a good or service is most likely an employee himself. Clearly, then, the buyers and sellers cannot always work the same hours. Sometimes the buyer makes the adjustment, as when an employee takes a morning off to see a doctor or a lawyer, or takes a long lunch hour to have an appliance repaired or pick up some forms in a government office. But more frequently, it is the supplier of the service who must work an alternative schedule to meet the customers' needs. For example, such industries as recreation, retail trade, food preparation, automotive service, and a variety of repair trades must now maintain alternative working schedules.

Another group of employees in the service sector have non-standard schedules because they are supplying emergency services. As our demands for better health care, and for better police and fire protection, and other emergency services increase, a larger proportion of the workforce finds employment at non-standard hours.

The trend to white collar employment offers at least passive support for the development of alternative work schedules. White collar work generally is fairly well suited for standardized hours, but very often it is also consistent with a high degree of flexibility. White collar jobs are usually much less specialized and closely coordinated than those in heavy manufacturing. Hence, white collar work often lends itself to a division of tasks between those an employee has to do in conjunction with others, and those he can do by himself. As a result, it may permit the introduction of the standard flexitime practice of setting a core time when all workers must be present and interactions among employees may be carried out, and a peripheral time when each worker does his more individual tasks and can come and go as he likes.

Moreover, studies of flexitime indicate that, for a number of bureaucratic reasons -- payroll periods, billing periods, and so forth -- there are actually regular fluctuations in much white collar work which can make non-standard hours more profitable for the employer.

Thus, changes in the nature of work have greatly increased the number of job situations in which the employer's objective interests are furthered by the introduction of alternative work schedules, or at least are not seriously impaired. Moreover, in those countries where the flexible hours movement is most advanced, as in Switzerland, there has been what might be called a "spillover effect" into light manufacturing. For example, the majority of workers in the Swiss watch industry now have the flexitime system.

A second factor which provides a new socio-economic rationale for the spread of more flexible work schedules, in the interest of efficiency, is the increasing need to conserve our social overhead capital, by using it more sensibly. The French social thinker and government planner, Jacques de Chalendar, believes this factor to be of primary importance in generating demands for alternative work schedules. In his excellent monograph on alternative schedules, On the Management of Time, deChalendar begins by asking us to consider which items in our households are provided on an individual basis, and which must be used in rotation? A bed is used for eight hours a day, and so, in all but the most depressed circumstances, each individual will have his own space in bed. But a bathroom is used much less -- deChalendar estimates about one-half hour a day per individual. And so, in most families, individuals will have to share bathrooms. One can go around the house, predicting which items must be shared; on the basis of the time each is used during the day or week, the cost of providing one for each family member, and the difficulty of working out a sharing arrangement.

DeChalendar then turns his attention to the business enterprise where a similar logic is used in deciding which facilities shall be shared among employees, and which facilities -- for example, a secretary's typewriter or a machinist's lathe -- shall be reserved for the use of one worker.

Finally, deChalendar asks, why don't we use the same hard, dollars-and-cents logic in allocating those facilities which we use socially? DeChalendar's most telling examples are drawn from the journey to work. Whether one is talking about a space in an office elevator at closing time, or a lane on a freeway at rush hour, or a seat on a bus, or a place on the train, logic would appear to demand a staggering of commuters so as to permit many uses each day of the same facility. Similarly, the recreationists offer us many examples of the benefits we could obtain from a more staggered use of leisure time -- for example, if summer "weekends" ould be scheduled during the week, rather than on Saturdays and Sundays. Then that favored spot on the beach, or that popular picnic site, could be used much more efficiently.

As individuals live ever further from their jobs, and embark upon every more ambitious recreation activities, we can expect a continued upward trend in demands that we economize on our social overhead capital. The strength of this reaction is now being exacerbated, as everyone knows, both by environmentalist concerns about overcrowding of outdoor recreation areas, and by an awareness of the extra energy costs imposed by commuter congestion.

The implications for work scheduling of this interest in conserving our social overhead capital are rather obvious. In general, the worst possible work schedule for economizing on social overhead capital is a standard workweek, which forces nearly everyone into standard commuting and leisure time patterns.

A third factor challenging the logic of standard schedules and supporting the spread of alternatives relates to developments within the family.

In the same period of industrialization in which most adult, American males were reduced to employee status --

the scheduling of family life was further complicated by the introduction of compulsory primary education. However, in the typical household, the mother -- and perhaps a grown sister, a grandmother, or a maiden aunt -- were available to close gaps in the family schedule. Neither a capitalist employer nor an educational bureaucracy constrained the schedules of the females in the house -- they could be counted on to make sure that all family members went off to work well-groomed and well-fed, to look after the children when they came home after school, and to help the employed adults to enjoy their leisure in the evenings.

All this has changed. Partly as a result of social security and other income maintenance schemes for the aged, older relatives generally do not live with their children, or their nephews and nieces. Even more important, more and more wives have been entering the labor force, so that a majority of adult women are now employed.

This has created very intractable scheduling problems in millions of families: witness the demand for day care facilities and our concern over the so-called "latch key child." A potential solution for these scheduling dilemmas is the staggering of working hours made possible by flexitime. If the daily work schedule of husband and wife can differ by as much as three-and-a-half to four hours, then, even if both parents must commute, and work an eight-hour day, it will be possible for one parent to stay at home until their child is ready to go off to his six hours of school, and for the other to be at home when the child is through for the day. Permanent part-time work provides an obvious alternative solution in this situation. But here, too, a standard workweek offers the worst possible arrangement.

There changes in the employer's situation, in the problems of conserving social overhead capital, and in the scheduling problems of the family, are all reasons for believing that the social rationale for standard work schedules has broken down. Moving to the next step, one can also see shifts in the way American society functions that would tend to make effective the new social demands for alternative work schedules, and so to lead to change.

In the age of McKinley, the dominant influences on work schedules were the technical and business needs of private employers. Questions of environmental protection, energy conservation, or family relationships would not have had much effect. But American society has changed. Big government, organized public interest groups; feminists; labor unions; and a labor force that is ever more demanding about its working conditions would today be in a much better position to achieve new working schedules, even if there had not been a change in the technical needs of private employers.

For all these reasons, I am reasonably optimistic about the long-run prospects for the spread of alternative work schedules, where these are economically feasible.

Of course, once one has conceded that the standard schedule is being, and will continue to be, eroded by effective demands for alternatives, one still has the question: which alternatives? We are still left with the problem of finding an arrangement of worktimes such that both capital used to produce goods and services, and social overhead capital, are employed with a high degree of efficiency, while the needs of families for scheduling childcare, shopping and family leisure pursuits are also met satisfactorily. If we try to put all these demands upon a computer, I am certain that we will find that it exceeds the machine's solution capacity -- or at least the capacity of the social scientist to devise an appropriate computer program. In my view, somewhat more faith can be placed in the workings of our decentralized market system. Here, of course, some complementary government intervention is needed. For example, like many economists, I would support peak load pricing by government of commuter, recreation, and other social overhead capital/ -- that is higher prices during periods of peak use -- so that individual consumers will be motivated to make a socially desirable market choice. However, I believe that the primary role in developing new work schedules, can be played by market forces. Other observers would dispute my optimistic view. But I am very much cheered by the recent developments in flexitime, which have been introduced -- in Europe and, more recently, in the United States -- as both private and public employers have reacted to labor market pressures.

In a common variant on flexitime, a large company authorizes each small work group to reorganize its work schedules in any way it chooses, as long as the contribution of the group to the enterprise is not diminished. The group can then work out the production needs of the firm, balance these off against the commuting, family and recreation needs of the workers in the group, and come up with the best possible schedule. In the short-run, at least, I am much more optimistic about the possible gain from this informal, very decentralized setup, than I would be about a computerized solution -- even one arrived at on the level of the individual company (by computerized solution I mean one in which the company feeds information on all job needs and all employee schedule preferences into the computer which then determines an optimal solution). True, the informal flexitime scheme is unlikely to achieve an ideal solution for the entire company, or for the nation. And, I would not want to be on record as overly pessimistic about the long-run potential of computerized solutions. But in the years immediately ahead, I think that I would put my money on the flexitime arrangment's outperforming any mechanical effort to achieve optimal results, by high-level planning.

If flexitime were expanded to include the right to vary the number of hours worked as well as their timing — perhaps through developments in the area of permanent part-time employment -- it is likely that still further progress could be made towards achieving more nearly ideal solutions.

I have given most of my attention today to the direct scheduling impacts of alternative work schedules -- in my view, the most important factors in deciding the success or failure of the new arrangements. However, I would like to say a few words on possible future indirect effects of more flexible scheduling — especially of flexitime and of plans that allow employees to vary the number of their hours of work. Such alternatives have significant impacts on the amount of work that gets done, as well as its scheduling. In fact, these impacts could probably constitute the second most important factor in determining the growth of the new systems. However, I will have to cover this ground very quickly.

Alternative work schedules have negative as well as positive effects on labor supply, although many observers believe the positive effects to be larger. These effects can be divided into three categories:

1. The quality of work done by employees.
2. The total number of persons employed.
3. The average number of hours worked per employee.

It seems reasonably clear that a major labor-quality problem facing us in the years ahead will be the provision of work incentives in an increasingly affluent, welfare-state society, for what many believe will be an increasingly overeducated workforce. Flexible scheduling makes a positive contribution here for several reasons: it enables the employee to balance off his work needs against the demands of his life off the job, and so helps to integrate the employee for whom work has ceased to be a dominant interest. It gives him an additional area of freedom in his work life -- his time schedule -- and so may make at least a minor contribution to reducing alienation. And it is complementary with other innovations, such as the development of autonomous work groups, which are designed to provide a more positive motivation for work.

Turning to the next labor-supply impact, flexible scheduling can also be helpful in increasing the number of workers in our society, by offering work to those who could not handle a standard, full-time schedule. Older people, mothers, and students constitute a potential labor supply that can be captured by more widespread use of alternative work schedules. Again, this need will be likely to increase in the years ahead. I wish I had more time to go into these matters. But consider, if you will, the forecasts of those biomedical researchers who predict victory over the major killers and disablers within the next fifty years, and hence expect that the average adult may hope to live until well into his eighties, and be able to do some sort of light work until well into his seventies. Juxtapose this with the prediction of some of our trade unionists that the average retirement age will be brought down to the middle or early fifties. Then consider the potential scope of alternative work schedules for providing second careers for two or more additional decades of working life. (And consider also the pension costs to the rest of society of supporting this army of so-called "aged" persons, if some such measures are not instituted!)

Or, take the problem of the working woman: consider the impact on female employees if corporations provided maternity leaves for pregnant women, gradually increasing part-time work for mothers of young children, and flexitime for mothers of older, school-aged children. This could provide an economic incentive for much heavier corporate investment in training and promoting women, and so go far towards improving the productivity of females, as well as increasing their employment. Corporations could similarly use alternative working schedules to help integrate young people into the labor force: for example, by offering more meaningful part-time employment for students, helping them to learn more about career opportunities and to acquire some useful experience.

A third way in which alternative working schedules can affect labor supply is by influencing the average number of hours worked per employee. If individuals could choose the number of hours they worked (at the same hourly pay), some would opt to put in more, and others less, than the standard forty. However, the chief positive contribution that alternative work schedules would make here may be somewhat different. The provision of much more individual choice in hours schedules could turn out to be the best available bulwark against a future movement to reduce hours by means of new governmental regulation (for example, by changing the Fair Labor Standards Act so as to require the payment of overtime after thirty, or even fewer, hours per week). If meaningful, well-paying jobs were available at different times and for different numbers of hours per week, there would be little reason for marginal workers to try to use the government to force down the hours of the rest of the workforce.

I have to admit, though, that we could be more optimistic here if a clearer distinction were being made, by those who advocate laws requiring *work-sharing*, between the goals of those who seek legislation providing for *temporary* hours reduction as a way of sharing work during a recession (that is, those who would support legislation which includes a clause providing for the *automatic* restoration of the forty-hour work-week after unemployment is reduced below some specified level) and the social philosophy of those who want federal legislation providing for a *permanent* reduction in the hours of the entire workforce. If people are to be offered more, rather than much less, choice in their hours schedules in the years ahead, this question will have to be put very plainly to those who advocate work-sharing legislation.

Of course, some critics believe that any tendency of alternative work schedules to increase labor supply -- by increasing labor productivity and the size of the labor force, and by retarding workweek reduction — would be harmful, since they do not see how our economy can absorb more labor in the coming decades. My view of the future is profoundly different: There are a variety of social needs which are not being met now and increasing problems can be predicted in such areas as finding resources for our educational and pension systems; meeting our goals in the health and protection fields; and dealing with the difficulties which must be expected in obtaining energy and materials. These problems will generate a social need for more human effort, not less. In my view, there is more merit in reforming our social institutions so that ways can be found to apply an increase in labor supply to the resolution of these human needs than there is in artifically curtailing labor supply, by restricting individual choice, on the dubious grounds that social institutions are immutable.

The increased range of choices that might be offered if alternative work schedules became dominant could also be criticized on other grounds. Predictably, some individuals will make choices that others find socially unacceptable. But this already occurs today, within the framework of the more limited choices now available: on the one hand, we have the two-earner family, contributing eighty hours a week at standard schedules, with a possibility of still more hours through moonlighting and overtime work. On the other hand, there are some families, living in straitened circumstances, whose preference for leisure is a continuing source of concern to the rest of the community. If there were more time here, we could consider more systematically the effects that increases in the degree of individual control over working times would be likely to have on many aspects of society by influencing family relationships; the spatial distribution of people and jobs in our metropolitan areas;

and even our political institutions. A study on this subject which I supervised for the National Science Foundation, did not turn up any very convincing prospects for serious negative social consequences of greater flexibility in hours of work. But, of course, only future experience can give us really satisfactory answers to such broad questions.

In conclusion, if the practical problems of workplace efficiency can be resolved, the long-term prospects for flexitime, permanent part-time employment, and similar alternative work schedules appear to be bright, for three reasons: First, and most important, because they do provide needed reforms in the scheduling of work and nonwork activities; second, because they can play a positive role in increasing the supply of labor. And, finally because, to my knowledge, no major negative social effects of flexibility have as yet been documented.

This optimistic, long-run forecast is contingent upon developments at the workplace. The success of flexible scheduling depends upon the evolution of specific plans that can offer demonstrable proofs of success both in meeting the needs of employers and employees, and in economizing on social overhead capital. The assessment of case studies, planned for this afternoon, will give us a chance to discuss the present "state of the art" in the development of practical schemes for alternative work schedules.

World Plan Executive Council
2127 Leroy Place, N.W. Washington, D.C. 20008 202-387-6774 Telex 89477

May 20, 1976

Dick Johnson
Employment, Poverty and Migratory Labor Subcommittee
Dirksen Senate Office Building
Suite 4230
Washington, D.C. 20510

Dear Senator Nelson:

We respectfully request that the following be included as testimony for the record in the recently completed hearings on worker dissatisfaction.

If further information or clarification is needed, please contact our office.

Thank you very much.

Sincerely,

George Helland
for the
World Plan Executive Council

Transcendental Meditation: Productivity, Job Satisfaction, and Human Relations.

Introduction

Interest in the Transcendental Meditation (TM) program has multiplied geometrically over the past several years. When the first scientific research on the TM program was published in 1970, TM practitioners in the United States numbered less than 30,000. Five years and 200 studies later, nearly one million people are practicing the TM technique in the United States alone. Among the most enthusiastic practitioners are the leaders of many of America's largest corporations.

In the not too distant past, the name "Transcendental Meditation" may have conjured up visions of magic carpets, long-haired yogis sitting on mountain

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tops, or just plain unrealistic thinking. Scientific research, recent best-sellers on the TM program, and nationwide press and media coverage are rapidly dispelling these misconceptions. The Transcendental Meditation program has nothing to do with flower children or religious cults. In fact, TM is proving to be among the best currently available approaches to improving individual and organizational performance. For this reason, many large and small corporations are introducing in-house TM programs to improve productivity, job satisfaction, employee health, and human relations.

The TM program appears to be a unique method of unlocking human potential in the organization. While other behavioral science techniques attack specific individual or organizational problems, the TM program fosters comprehensive individual growth by expanding individual consciousness. The TM program apparently provides a direct means for the individual to tap deep reserves of energy, intelligence, creativity, and happiness inherent within the machinery of the maind and body. Involving neither group process nor intellectual analysis, the TM program works by means of natural physiological processes.

Text

The TM program fosters comprehensive individual growth by improving the functioning of the nervous system. This effect, which cannot be fully grasped by examination of scientific studies alone, is best described in terms of the expansion of consciousness. Ample subjective reports from executives practicing the TM program offer some insights into how the expansion of consciousness affects performance in business. Nevertheless, neither scientific research nor subjective reports satisfy the hardheaded behavioral scientist who wants to know how the TM program relates to practical problems such as productivity, job satisfaction, and turnover.

A pioneer investigator of the TM program in business, David Frew, Ph.D., began studying the effect of the TM program on productivity in 1972. Frew had been concerned with the negative effects of stress on performance and was impressed with early data suggesting the TM technique as a natural and powerful tool for reducing accumulated stress and improving ability to handle pressure.

Though the TM program apparently produced changes which would contribute to improved performance, the question remained whether improvement in performance would show up on the job. Might the increased energy and well-being derived from the TM program be directed toward personal rather than professional pursuits? Would the reduction in stress and increase in self-acceptance and psychological well-being somehow inhibit motivation? Could increased creativity among meditators increase dissatisfaction with repetitive jobs and therefore increase turnover? If the Transcendental Meditation program does improve job performance, would executives and rank-and-file employees show improvement of similar magnitude?

To answer these questions, Frew conducted two studies. The first was completed in 1973 and published in the Academy of Management Journal. The second study was completed in early 1975 and presented at the American Management Associations' Annual Personnel Conference. "Taken together," wrote Frew, "I feel that the two studies systematically provide thorough scientific evidence for the powerful impact of the Transcendental Meditation program on productivity."

THE FIRST STUDY: DESIGN

Frew's first study aimed at determining the impact of the TM program on six measures of productivity among a group of 100 people working full time. His study population included 68 men and 32 women who had practiced the TM program for an average of 13 months. The group included both executives and rank and-file employees from a number of different firms. Each participant completed a questionnaire about changes at work since starting the TM program. The questionnaire produced data concerning the following six factors:

Job satisfaction
Performance
Turnover potential
Motivation to climb
Relationship with supervisor
Relationship with others

The study included two controls. First, nonmeditating supervisors or co-workers of the meditators evaluated changes in how the meditators filled out. The supervisors' questionnaire was simply reworded to refer to a third person rather than to the person completing it. The second control consisted of graduate students who were working full time and who had undertaken any program or had any experience which they felt had "improved their lives" in the recent past. The particular experiences reported by the graduate students varied from"management seminars" to "peak experiences." The graduate students completed a questionnaire identical to that of the meditators, but filled it out in terms of their own non-TM experiences.

THE FIRST STUDY: RESULTS, DISCUSSION, CRITICISMS

The results of the study are presented in Figure 1 (a). The meditators reported significant improvement in job satisfaction and job performance. They also reported significantly improved relations with supervisors and co-workers. Finally, the meditators' propensity to change jobs and their climb orientation decreased significantly.

Results from the controls confirmed all but one of these findings. First, the graduate students showed no significant changes in any of the factors measured. Second, the co-workers and supervisors agreed that, since starting the TM program, the meditators seemed more satisfied at work, showed greater output and efficiency, got along better with supervisors and co-workers, and seemed less likely to leave the company. The supervisors disagreed on the estimate of climb orientation. While the meditators felt less concerned about promotions, supervisors observed that the meditators seemed to have increased in climb-oriented behavior.

Frew suggests that the data from the first study constitute solid evidence that the TM program improves productivity. Concerning the disagreement among meditators and nonmeditating supervisors about TM's impact on climb orientation, Frew argues that the TM program may increase behavior leading to promotion, but decreases anxiety about it. In today's work environment, where promotion-anxiety contributes to much wasted energy in politicking and back-stabbing, the reduction in promotion-anxiety may not be the least important effect of the TM program.

Frew further analyzed his data by comparing the changes reported by the meditating executives with those of nonmanagerial meditators. He found that executives showed significantly greater productivity increases after starting the TM program than did hourly employees. These data are summarized in Figure 1 (b). Frew also found that meditators working in democratic organizations showed greater productivity increases than those working in more autocratically managed work environments.

Frew reports that three consistent criticisms of his first study prompted him to undertake a second. These criticisms were that the first study was too small, that it did not adequately compare meditators with nonmeditators, and that the questionnaire may have lacked validity. To answer these criticisms, Frew modified the design of his second study in the following ways: First, he expanded the size of his second study to include 250 meditators and 250 nonmeditators. Second, he distributed the same questionnaire to each of the 500 subjects participating in the study and focused his statistical analysis of results on comparing the meditators with the nonmeditators. Finally, he designed an entirely new questionnaire. He hypothesized that if a completely different kind of questionnaire produced the same results as were produced by the first study, then the validity of both questionnaires would certainly be strengthened.

THE SECOND STUDY: DESIGN, RESULTS, CONCLUSIONS

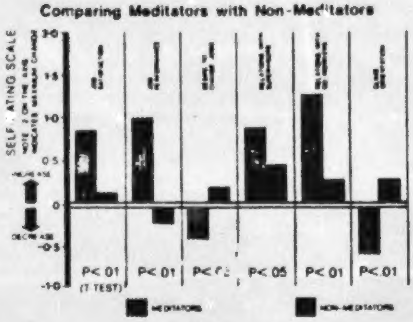
To randomize selection of subjects as much as possible, Frew enlisted the 500 subjects in the second study from more than 30 states and two provinces in Canada. Subjects for the first study lived fairly close to Erie, Pennsylvania. Of the 250 control subjects, 125 were graduate students in an M.B.A. program but were holding down ful-time jobs. In redesigning the questionnaire for the second study, Fre added questions which would measure three additional factors of productivity:

1. Job content satisfaction (how much an employee enjoys the specific content of his work rather than his work in general).
2. Perceived image (to what extent an employee feels his colleagues at work view him as competent and useful).
3. Organizational satisfaction (how the employee feels about the organization as a whole).

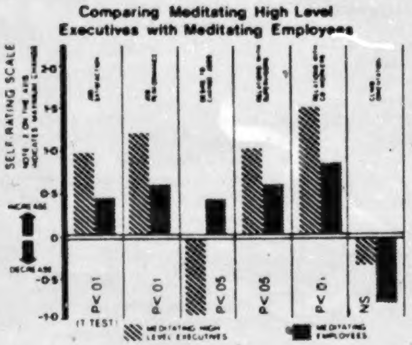
The results of the second study demonstrated even more clearly than the

Figure I . **Increased productivity.**

(a)



(b)



Source: *Fundamentals of Progress*, MIU Press Publication No. U2-16-575, © 1975 Maharishi International University. Research results were originally reported in D. R. Frew, "Transcendental Meditation and Productivity," *Academy of Management Journal*, Vol. 17, No. 2., pp. 362-368, June 1974.

first that the TM program improved productivity. Whereas statistical analysis suggested that results of the first study deserved 95 percent confidence, statistical analysis revealed that the data compiled in the second study deserved 99.9 percent confidence ($p < .001$). On the basis of his two studies, Frew noted that in comparison with nonmeditators, people practicing the TM program:

Experience a higher level of job satisfaction.
Are more productive in terms of output criteria.
Are less apt to want to leave their companies.
Enjoy better relationships with their supervisors.
Have better interpersonal relationships with their co-workers.
Have a lower anxiety about climbing the organizational ladder.
Enjoy their individual work assignments to a larger extent.
Have a better perception of their external image.
Appear to be more highly satisfied with their own organizations.

Close examination of the second study data suggest additional conclusions about how the TM program affects productivity. First, the 250 nonmeditators reported significant dissatisfaction with the content of their jobs and with the organizations in which they worked. The nonmeditators expressed what many behavioral scientists have identified as a sweeping complaint against work in America. In this light, it is particularly interesting to note that 13 months of the TM program fosters sufficient individual growth to increase both job content satisfaction and regard for the organization. Frew also analyzed his second study data by length of time practicing the technique of TM. He found that people practicing the TM program for more than one year showed significantly greater productivity gains than those people practicing it less than one year. Statistical analysis suggests 99 percent confidence in this result.

One further aspect of the study deserves mention: Graduate students generally show higher productivity than the average worker. By including 125 graduate students in his control group, Frew biased the control group toward showing increased productivity. He therefore lessened the differences in observed productivity gains which might be expected in a comparison of a random group of people practicing TM. That a random 250 people practicing TM showed significantly greater productivity than a group of 250 people generally above average in productivity strengthens Frew's findings.

THE TM PROGRAM IN COMPANIES

Initial reports from a variety of companies offering in-house Transcendental Meditation programs to executives and/or other employees support Frew's findings. No company has yet completed a large-scale in-house study of how the TM program affects the company's long-term performance. Nevertheless, a growing number of firms from many different industries are reporting that the TM program is a valuable addition to their organizational development program. Firms exploring TM range in size and industry from small privately owned firms to the largest corporations in the world.

Since 1973, E.R. Polk, chairman of P.A. Medical Corporation, has been encouraging management and labor in two plants to begin the Transcendental Meditation program. In one of the plants, 50 percent of the administrative staff practice TM. As a result, Polk reports:

> We have found that the executives and the employees are working together more effectively and accomplishing greater productivity. Absenteeism has decreased significantly. The general atmosphere of the plant has markedly improved, and the working conditions seem to be more pleasant and acceptable.

Blue Cross-Blue Shield in Chicago has been experimenting with the TM program since mid-1975. Interest among top management prompted the training director to set up an in-house TM program for 30 managers. The group was so impressed with the program after six months that the company has decided to set up a second course open to all executives and employees.

Gil Younger is president of Transco, a small manufacturer of transmission parts in southern California. He began introducing the TM program to his firm in 1972 when he learned the technique. Transco has grown spectacularly over the past four years despite the recession. Younger reports that productivity and sales dollars per employee have almost doubled. Because the firm is small, Younger has introduced no development programs other than TM. Furthermore, he can find no specific reason, in new manufacturing or marketing techniques, for the dramatic growth of Transco.

Lauretta Cessario, personnel officer at Upper Avenue National Bank in Chicago, reports favorable results with an in-house TM program. Approximately 10 percent of the management staff participated in the bank's first TM course. Improved human relations were, according to Ms. Cessario, the most noticeable result of the program. The second in-house TM course will double the percentage of the management staff practicing the TM program.

Several branches of the armed services are teaching the TM program to their personnel. Major General Franklin Davis, recently retired commandant of the U.S. Army War College, is largely responsible for initial interest in the TM program among the services. Assigned by the Joint Chiefs of Staff to determine how to reduce drug abuse in the armed services, Major General Davis discovered that the TM program does much more than reduce drug abuse. Courses in the TM program are now given regularly at West Point Military Academy and army bases throughout the world. The U. S. Air Force now makes air-base facilities available for military personnel to take the TM program.

SUMMARY

People practicing the TM program appear to become more productive and more satisfied with their work within a relatively short time after starting the program. Regular practice of the technique seems to contribute to steady, cumulative improvement in performance, human relations, job satisfaction, and regard for the organization.

It appears that the increased personal satisfaction resulting from the TM program provides an experiential base for increased satisfaction at work. Fears that increased psychological well-being might decrease motivation, that increased creativity would exacerbate job dissatisfaction, or that increased energy would find personal rather than professional outlets seem to be unfounded. Though people practicing the Transcendental Meditation technique may lose their anxiety about promotion, they show improved regard for the organization and increased likelihood of promotion due to improved performance. Whether people practicing the TM technique outgrow their jobs more rapidly than nonmeditators remains to be determined.

Finally, subjective reports do indicate that people practicing TM enjoy their personal lives much more after starting the program. They have more time, energy, creativity, and love for their families and friends. Nevertheless, a substantial portion of the increased energy, intelligence, and creativity resulting from the TM program gets channeled into professional pursuits.

-prepared by Robert B. Kory

NOTES

1. D.R. Frew, "Transcendental Meditation and Productivity." Academy of Management Journal, Vol. 17, No. 2, June 1974.
2. "AMA Annual Personnel Conference," BNA Bulletin to Management, No. 1309, March 13, 1975.
3. D. R. Frew, The Management of Stress: Using Meditation at Work. Chicago: Nelson Hall, in press
4. Ibid.
5. Personal correspondence.

Senator JAVITS. Upon the instructions of the Chairman, the hearing of the subcommittee is now adjourned.

[Whereupon, at 1:05 p.m., the subcommittee adjourned.]

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